



HISTED.

THE RT. HON. JOSEPH CHAMBERLAIN

RT. HON. JOSEPH CHAMBERLAIN

This portrait of Mr. Chamberlain is one of the most recent that have been taken.

MR CHAMBERLAIN

HIS LIFE AND
PUBLIC CARÉER

BY
S . H . JEYES

VOLUME II



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CHAPTER XIII

THE UNIONIST ADMINISTRATION, 1900-1903

The appeal of Ministers to the country, as put forward in a letter from Lord Salisbury, was by no means confined to the South African Settlement, though it was mentioned as one of the main issues before the country. He referred also to Army Reform and the maintenance of British interests in the Far East, and he asked the electors to remember, whichever Party should be victorious, that unless that Party were armed with a strong majority in the House of Commons it would lack the authority at home and abroad which was essential to its task. Mr. Balfour insisted more strongly on the position of South African affairs, and declared that from a Radical Administration neither firmness of purpose nor consistency of policy could be anticipated in the face of Boer resistance. Though individual members of the Opposition were in practical

ERRATA

Page 100, line 3 of note. For 1890-1895 read 1895-1900.

„ 148, line 5 from top. For *Queensland* read *South Australia*.

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The fierce energy which he threw into the General Election of 1900 was exasperated by a new personal ques-

tion. Some of the Radicals, by way of taking vengeance for his exposure of the Correspondence with the Boers, published a list of pecuniary investments held by himself and some of his near relatives with the object of casting a slight on his integrity. These attacks for the time he ignored—they did him good rather than harm. On the other hand, he pressed the most unfavourable interpretation upon the somewhat vague utterances of Sir Henry Campbell-Bannerman, and other Leaders of the Party, made before the outbreak of the War and even during its progress. He accused them of being willing to consent to a surrender to the Boers, and to leave British subjects to the mercy of President Krüger. Like Pontius Pilate they would wash their hands of the whole affair, and say it was no business of theirs!

The climax of invective, so it seemed, was reached in a telegram which he despatched in support of the Unionist candidate in the Heywood Division of Lancashire. "Every seat lost to the Government," the message ran, "is a seat gained by the Boers." This was, in effect, what he had previously said on a score of platforms; and, whether fair or unfair, it was no more than Mr. Balfour and a hundred other Unionists had implied in their Addresses and speeches. But by an error, which was subsequently explained, the message as delivered was "Every seat lost by the Government is a seat sold to the Boers." The mistake—which was afterwards acknowledged to be entirely due to a telegraph clerk—was not cleared up till a certain amount of misconception had arisen, and many persons who had no sympathy with "pro-Boer" policy regretted that such an imputation should be made against politicians who might be unpatriotic but certainly were not corrupt. A slight reaction in favour of the Opposition was caused by this blunder, but, on the whole, the result of the General Election was a triumphant vindication of Mr. Chamberlain's policy in asking for an immediate appeal to the people. Though the Unionist majority had been appre-

ciably reduced, it was still overwhelming. The Conservatives (334) and the Liberal Unionists (68) outnumbered by 134 the combined Liberal and Labour Parties (186) and the Irish Nationalists (82).

It was not probable that, even after so great a victory, the old Government would go on just as before. Lord Salisbury himself was known to desire an early release from his too arduous duties, but, having appealed to the country as Prime Minister, he felt himself bound, after the renewal of public confidence, to retain that position. Nor was it considered advisable, at that time, to raise the question of succession. Though there was no fear of personal rivalry between Mr. Balfour and Mr. Chamberlain, whose mutual understanding was quite complete, indiscreet partisans on either side might have rendered the position somewhat uncomfortable. Nor would it have been considered expedient, either by Conservatives or Liberal Unionists, to compromise the question by the selection of the Duke of Devonshire. The solution of what hardly amounted to a difficulty was found in Lord Salisbury remaining Prime Minister and taking the office of Privy Seal, but retiring from the Foreign Office—where he made room for Lord Lansdowne, who had been far from comfortable at the War Office. He was succeeded in the latter position by Mr. Brodrick, and Mr. Gerald Balfour was sent to the Board of Trade, giving up the office of Chief Secretary for Ireland to Mr. George Wyndham, whose promotion was marked by admission within the Cabinet. Mr. Ritchie succeeded Sir Matthew White Ridley as Home Secretary; Lord Selborne took the place of Mr. Goschen at the Admiralty, and Mr. Chaplin vacated the Local Government Board in favour of Mr. Walter Long; Mr. Hanbury became Minister of Agriculture, and Lord Londonderry Postmaster General.

Neither the changes within the Cabinet nor those in the minor offices of the Government altered the balance of power between Conservatives and Liberal Unionists.

Indeed, the reconstruction of the Ministry, which brought little if any blood to it, testified to the undiminished personal influence of Lord Salisbury. The retirement of Mr. T. W. Russell, nominally a Liberal Unionist, from the office of Parliamentary Secretary to the Local Government Board, where he was succeeded by a Conservative, Mr. Grant Lawson, was compensated by the appointment of Mr. Arnold-Forster as Secretary of the Admiralty. So far as Mr. Chamberlain's hand could be traced in the exercise of patronage it was shown in the promotion of Lord Selborne, Under Secretary for the Colonies, to a position of Cabinet rank.

The brief Winter Session of 1900 was opened on 3rd December, and the Queen's speech announced that the only business for Parliament was to make the necessary provisions for the expenses of the War. It was inevitable, however, that the conduct of Ministers should be criticised in the Debate on the Address, and Mr. Chamberlain, in particular, was singled out for attack—especially for his publication of the Correspondence with the Boers. He explained that no objections had been made by the Dutch politicians whose letters had been printed. The language used by Dr. Clark and Mr. Labouchere, he said, amounted to "moral treason," and the information which Mr. John Ellis had requested from a Boer lady was not to be the whole truth, but "a stream of facts" which he might use in Parliament to damage his opponents. Sir Henry Campbell-Bannerman had declared that the person who published these letters was unworthy of his society. Well, the act was the act of the whole Government—a statement to which Mr. Balfour heartily assented. Mr. Chamberlain added that, though some of his phrases might have led to misconception, he had never attacked any man's private character, while there had been a "perfect conspiracy of insinuations and charges against himself and those nearest to him."

The attacks to which he referred were renewed in

Parliament by Mr. Lloyd-George, who moved an Amendment to the effect that Ministers of the Crown and members holding subordinate office in the Government should hold no interest, direct or indirect, in any firm or Company competing for contracts with the Crown, unless the nature and extent of the interest had first been declared. This was directly aimed against the Colonial Secretary and his son the Financial Secretary to the Treasury. The Debate was piquant, but it was generally felt, by members who had least regard for Mr. Chamberlain, that the question should not have been raised in this shape, even if the general principle asserted was in itself worthy of support. Mr. Chamberlain had no difficulty in showing that for any indiscreet use which had been made of his name he had no shadow of responsibility, and that in only two from the list of Companies mentioned did he hold any interest. For the investments of his relatives he could not be answerable, nor had any of them ever asked him to use his influence on their behalf. The discussion had lowered the dignity of the House of Commons, and given pain to his relatives, but done no injury to himself. Those members who supported Mr. Lloyd-George's Amendment dissociated themselves from the personal issues which had been raised, and Mr. Balfour declared that, so far as the Motion was an attack on the Colonial Secretary, it was without a shadow of foundation. It had not been brought forward in the interest of purity—but only to damage Mr. Chamberlain. Because he had made his power felt in the country they regarded him with special aversion. But they had failed in their attack that evening as they had failed at the General Election.

Though the year 1901 was, in many respects, a memorable one in Mr. Chamberlain's career, the Session was more remarkable for the proposals than for the achievements of the Government of which he was a leading member. The bold and comprehensive plan, more

or less framed by Sir John Gorst, for the reconstruction of the educational system, Elementary, Secondary, and Technical, throughout England and Wales was not introduced till 7th May—much too late for so complicated and contentious a scheme of reform. The reasons for delay were explained, by way of tacit apology, in the King's Speech on the Prorogation (17th August). "Unusual demands," it was said, "had been made upon the time at the disposal of Parliament by the Demise of the Crown, by the continuance of an arduous War, and the necessity of providing fresh Revenue by a wider range of taxation." In other words, the Opposition, though weak in point of number, had made such effective use of their opportunities for lengthy discussion given by the various questions arising out of the War, the Budget, and the state of the Army, that Ministers could make little progress with their legislative programme. On 28th June, Mr. Balfour announced that the Education Bill must be abandoned. But a temporary Measure would be introduced, and pressed through Parliament, which would meet the emergency caused by the "Cockerton Judgment," and enable the School Boards to carry on, for the ensuing twelve months, the work of Higher Education from funds which, it was now decided, they had no legal right to apply to that purpose. Even this proposal met with keen resistance, and on one occasion the Government majority fell to 17, but on 30th July, the Third Reading was carried in the House of Commons; the Bill passed quietly through the House of Lords, and on 9th August received the Royal Assent.

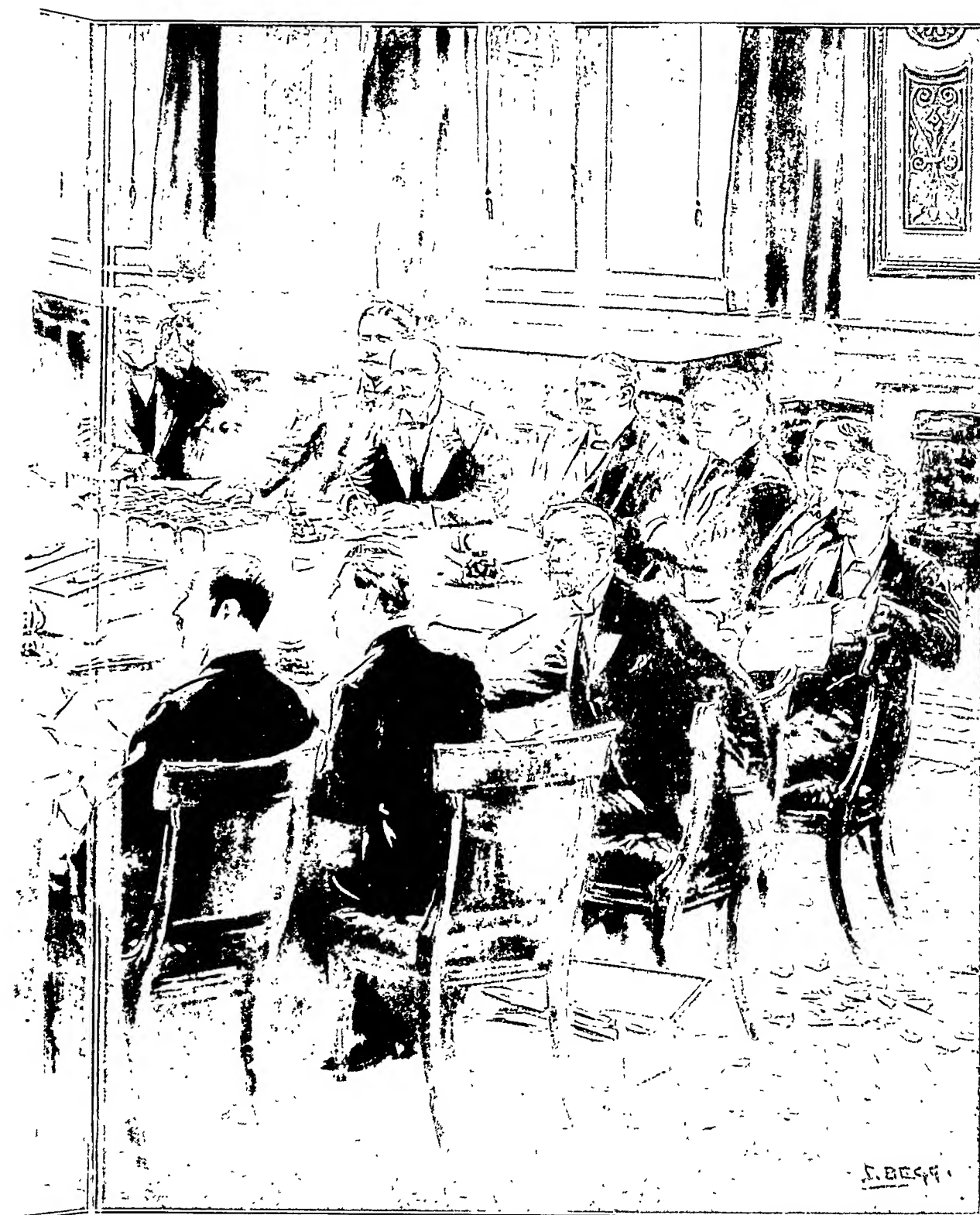
Among the minor Measures carried by the Government, was one for amending and consolidating the existing laws as to Factories and Workshops, and another for mitigating the penalties that might be inflicted upon Youthful Offenders. Both these Acts fell within the scope of that social legislation which Mr. Chamberlain has so steadily advocated, but, as Colonial Secretary,

LORD SALISBURY'S CABINET AFTER THE GENERAL ELECTION OF 1900

Following is a list of the members of the Cabinet after the reconstruction of 1900, with an indication of the changes made by the autumn of 1903.

	1900	1903
MARQUIS OF SALISBURY	Premier and Lord Privy Seal	Deceased
ARTHUR JAMES BALFOUR	First Lord of the Treasury	Premier also
MARQUIS OF LANSDOWNE	Foreign Secretary	No change
JOSEPH CHAMBERLAIN	Colonial Secretary	*Resigned
CHARLES THOMSON RITCHIE	Home Secretary	*Resigned
SIR MICHAEL HICKS-BEACH	Chancellor of the Exchequer	Resigned
DUKE OF DEVONSHIRE	Lord President of the Council	*Resigned
EARL OF HALSBURY	Lord Chancellor	No change
WILLIAM ST. JOHN FRE-		
MANTLE BRODRICK	Secretary for War	Secretary for India
EARL OF SELBORNE	First Lord of Admiralty	No change
LORD GEORGE HAMILTON	Secretary for India	*Resigned
LORD BALFOUR OF BURLEIGH	Secretary for Scotland	*Resigned
GERALD WILLIAM BALFOUR	President of Board of Trade	No change
WALTER HUME LONG	President of Local Government	
	Board	No change
ROBERT WILLIAM HANBURY	President of Board of Agriculture	Deceased
BARON JAMES OF HEREFORD	Chancellor of Duchy of Lancaster	Resigned
ARETAS AKERS-DOUGLAS	First Commissioner of	
	Works	Home Secretary
MARQUIS OF LONDONDERRY	Postmaster-general	Lord President of Council
EARL CADOGAN	Lord-lieutenant of Ireland	Resigned
BARON ASHBOURNE	Lord Chancellor of Ireland	No change

* Resigned on the fiscal question



From a Drawing by S. BEGG.

NET AFTER THE GENERAL ELECTION OF 1900



LORD SALISBURY'S CABINET AFTER THE GENERAL ELECTION OF 1900

THE ROYAL TITLES ACT

he naturally felt a more personal interest in the Royal Titles Act, which made the first formal recognition of the Crown as the connecting link between the United Kingdom and the "British Dominions beyond the Seas." No Constitutional innovation was disguised under this official declaration of Imperial Unity. It was intended simply as a compliment to the Colonies, and a graceful inauguration of the new Reign. If it was made at the instance of the King, it was also understood to be welcome to the Premiers of the Self-Governing Communities, with whom Mr. Chamberlain was to hold conference in the ensuing year.

Frequent as were Mr. Chamberlain's interventions in Parliamentary Debate during the 1901 Session, they related chiefly to South African affairs, and such mention of them as is necessary will be found in another Chapter. But of the warm discussions provoked by the Budget proposals he was something more than an interested spectator. The increase of the Income Tax from one shilling to fourteen pence in the pound was an impost sufficiently excused by its absolute necessity in a year of active warfare—unwelcome as it must have been to a Statesman who still believed in the possibility of setting up some system of Old Age Pensions for the Deserving Poor.

There was more difficulty about the Chancellor of the Exchequer's scheme for expanding the Revenue by resort to Indirect Taxation. It was almost an axiom of "The Radical Programme" that "direct taxes are preferable to indirect taxes," and for many years successive Governments had acted on this principle. Certainly, it was an anomalous position for one of Mr. Gladstone's old colleagues to make himself responsible for the Sugar Tax and the Duty on exported coal. On the other hand, it must be remembered that Mr. Chamberlain had always maintained that every class should make a fair contribution to the cost of Government, and had even counte-

paradoxical. He personally advocated, the imposition of a poll tax. There was, therefore, no inconsistency with his past declarations in his consenting to lay some part of the national burden on the working classes, and, as the experts seemed to be agreed that for the present Direct Taxation had reached its limit, there was nothing for it but to support some such Budget as Sir Michael Hicks-Beach had brought forward.

Mr. Chamberlain's most notable utterance in 1901 related neither to domestic affairs nor, except indirectly, to South Africa. It was one of those sudden incursions into foreign politics, in which, as we have seen, his zeal sometimes runs away with his discretion. On this occasion, however, he won the unqualified applause of his countrymen. Irritated as all Englishmen were by baseless calumnies, both against the conduct of our troops in the field, and the measures taken by our Generals in dealing with treason and rebellion, no official protest had been presented by our Government except when Queen Victoria was made the subject of an exceptionally filthy cartoon in Paris. We had plenty of trouble on our hands just then, and it was considered advisable to pretend that Foreign Governments had no power to suppress these offensive publications. Nor was it, apparently, with any intention of departing from this politic reserve that Mr. Chamberlain used the phrase which brought him into sharp personal conflict with Count von Bülow, the German Imperial Chancellor.

In the course of a political speech delivered at Edinburgh on 25th October (1901), he remarked that Ministers had been blamed in some quarters for not taking stronger measures against Rebels and Guerrillas. For that leniency, which had been pursued after most serious consideration, they accepted full responsibility. But the time had come—or was coming—when measures of greater severity might be necessary. "If that time comes," Mr. Chamberlain remarked, "we can find precedents for anything that

we may do in the action of these nations who now criticise our 'barbarity' and 'cruelty,' but whose example in Poland; in the Caucasus, in Algeria, in Tongking, in Bosnia, in the Franco-German War, we have never even approached."

It was a natural, if not altogether advisable, retort. But while it passed almost unheeded in France and Russia it aroused fury in Germany and German Austria. Although the Kaiser was almost ostentatiously friendly to King Edward, and although in Diplomatic matters his Government were acting in complete harmony with ours, anti-English demonstrations were held in Berlin and other great cities, and the most virulent attacks were printed and freely circulated. It was wanton audacity, we were told, that an English Minister should compare the conduct of German conscripts with the cowardly mercenaries who had placed old men and women in front of their ranks to protect themselves from the bullets of the Boers! This was one of the fictions most industriously put about by the Hollander Agency in Europe, and, for the credit of Germans, we must take it that they honestly believed the lies that were circulated on what purported to be the evidence of eye-witnesses. At heart, though no friends of ours at present, they are an amiable and placable race. For nearly the lifetime of a generation their only acquaintance with War had been drawn from the parade-ground and annual Manœuvres. Most of them had forgotten the stern realities of 1870-1871, and they were shocked by bloodshed not perpetrated by their own countrymen, and in a cause which they reprobated. Though a whole nation may be demented for a time with patriotic rage or sentimental enthusiasm—Englishmen have fallen into similar excitements—it will not carry on a campaign of wilful defamation. If the Germans had known that the atrocities charged against our Generals and soldiers were simply inventions of the enemy they would have displayed less irritation at Mr. Chamberlain's speech. They would have

realised, on consideration, that his suggested comparison of our treatment of the Cape traitors and Boer guerrillas with the punishment which had been meted out by their Commanders to the French Irregulars was absolutely fair and just.¹ As a matter of fact, they regarded his words

¹What that treatment was may be seen from the German Army Order issued in August 1870. It was translated by Dr. T. Miller Maguire, and quoted in his lecture at the Royal United Service Institution on 18th February 1903:—

“I.—Military jurisdiction is established by this decree. It will be extended to all the territory occupied by German troops, to every action tending to endanger the security of those troops, to causing them injury, or lending assistance to the enemy. Military jurisdiction will be considered as in force and proclaimed through all the extent of a canton as soon as it is posted in any locality forming part of it.

“II.—All persons not forming part of the French Army, and not proving their quality as soldiers by outward signs, and who

“(a) Shall serve the enemies as spies;

“(b) Shall mislead the German troops when charged to act for them as guides;

“(c) Shall kill, wound, or rob persons belonging to the German troops, or making part of their suite;

“(d) Shall destroy bridges or canals, damage telegraphic lines or railways, render roads impassable, set fire to munitions and provisions of war, or troops' quarters;

“(e) Shall take up arms against the German troops; will be punished by death. In each case the officer in command will institute a council of war, with authority to try the matter and pronounce sentence. These councils can only condemn to death. Their sentences will be executed immediately.

“III.—The communes to which the culprits belong, as well as those whose territory may have been the scene of the offence, will be condemned in a penalty for each case equalling the amount of their taxes.

“IV.—The inhabitants will have to supply all necessities for the support of the troops. Each soldier will receive daily 750 grammes of bread, 500 grammes of meat, 250 grammes of lard, 30 grammes of coffee, 60 grammes of tobacco or 5 cigars, $\frac{1}{2}$ litre of wine, or 1 litre of beer, or 0.1 of brandy. The rations to be furnished daily for each horse will be 6 kilogrammes of oats, 2 kilogrammes of hay, and $1\frac{1}{2}$ kilogrammes of straw. In case of the inhabitants preferring an indemnity in coin to one in kind, it will be fixed at 2 francs each soldier daily.

“V.—All commanders of detached corps will have the right to order a requisition of provisions needful to the support of their troops. The requisition of other articles judged indispensable to the army can only be ordered by generals and officers acting as such. In all cases, nothing will be demanded of the inhabitants except what is necessary for the support of the troops; and official receipts will be given for everything supplied. We hope, therefore, that the inhabitants will not offer any obstacles to the requisitions which may be deemed necessary.

“VI.—With regard to individual bargains between the troops and the inhabitants, we fix as an equivalent for 1 franc, 8 silbergros or 28 kreutzers.

“The General Commanding-in-Chief the Third German Army,

“FREDERIC WILLIAM,

“Prince Royal of Prussia.”

as an affront to the nation; the agitation became so violent throughout the latter months of the year that Count von Bülow—a time-serving placeman who pretends to be a Bismarck, and keeps himself in office by trimming an even balance between the orders of the Kaiser and the favour of a precarious majority in the Reichstag—thought it would pay him to read Mr. Chamberlain a public lecture.

On 8th January 1902, he made the following reference to the Edinburgh speech:—"I believe we shall all be agreed, and I think all sensible people in England, too, will agree with us, that when a Minister considers himself called on to justify his policy—and such a thing may happen—he does well to leave foreign countries out of the discussion. Should he, however, wish to adduce examples from abroad, it is advisable that he should proceed with great caution, for otherwise he runs the risk not only of being misunderstood, but also of hurting foreign feelings, even though it be—as I am ready to assume was the case in the present instance, and as, indeed, after the assurances made to me from the other side, I must assume—without any intention of doing so. This is, however, all the more regrettable when it happens in the case of a Minister, and with reference to a country which, as the previous speaker has rightly pointed out, has always entertained with his own good and friendly relations, the undisturbed continuance of which is equally to the interests of both parties. It is quite comprehensible that in a people which has become so thoroughly part and parcel of its glorious Army as the German people has—and the previous speaker very rightly emphasised this point—the general feeling of the nation should revolt against any appearance of the heroic character and moral basis of our national struggle for Unity being subject to misrepresentation. But the German Army stands much too high, and its escutcheon is too bright for them to be affected by warped judgments. Anything of the kind is well answered by the reply which Frederic the Great gave when he was told that

somebody attacking him and the Prussian Army. 'Let him alone,' said the great king, 'and do not excite yourselves. He is biting at granite.'

It appeared afterwards that in the version of Mr. Chamberlain's words which was telegraphed to the Continent the sense had been considerably distorted, and conveyed a more offensive imputation than the speaker had in his mind. But as for "the assurances from the other side" to which the Count referred, and which some of the German newspapers represented as a sort of apology, they simply took the form of explaining to the German Ambassador what had been actually said. This was made clear by Mr. Balfour's statement in the House of Commons (17th January) that "nothing in the opinion of His Majesty's Government required to be said in the direction of either qualifying or retracting the speech of his right honourable friend." Moreover, at Manchester, on the 10th, Mr. Balfour himself spoke with contempt of the "disgusting tide of calumny" which was poured out ceaselessly from the Continental Press. On the following day, at Birmingham, Mr. Chamberlain was evidently in no repentant mood. The language he used was not that of a Minister whose conduct had been apologised for. If he had committed any offence on 10th October 1901, he aggravated it on 11th January 1902, by making a direct attack on the German Chancellor. He began by holding up to reprobation these English partisans of the Boer cause who fouled their own nests, encouraged the enemies of this country, and furnished material to foreign countries for the malignant libels which they uttered against us.

"I understand," he said, "a good Party fight. I myself am a Party man. When I am struck I try to strike back again. But I cannot appreciate the position of those who are influenced by Party passion, and not content with fighting the battle here at home on fair and reasonable lines, must go out of their way to impute methods of barbarism to our soldiers in the field, to imply that His

Majesty's Ministers, who are Britons like themselves, can, by any possibility, be guilty of deliberate cruelty and inhumanity, and who laud the Boers while they slander the Britons, and then profess to be astonished and surprised at the growing hostility of foreign nations. They have helped to create the animosity which we all deplore. I am well aware that in some quarters this animosity is attributed to another cause. It is said to be due to the indiscreet oratory of the Colonial Secretary. Gentlemen, what I have said I have said. I withdraw nothing. I qualify nothing. I defend nothing. As I read history, no British Minister has ever served his country faithfully and at the same time enjoyed popularity abroad.

"I make allowance, therefore, for foreign criticism. I will not follow an example that has been set to me. I do not want to give lessons to a foreign Minister, and I will not accept any at his hands. I am responsible only to my own Sovereign and to my own countrymen. But I am ready to meet that form of criticism which is made at home, which is manufactured here for export by the friends of every country but their own; and in reference to these I would ask you, gentlemen, how can it be due to a few words in a speech that was delivered only a few weeks ago that for months and for years, from the very beginning of this War, the foreign Press has teemed with abuse of this country? How can the Colonial Secretary be made responsible for what Sir Edward Grey has called the 'foul and filthy lies,' for what Lord Rosebery has described as the 'vile and infamous defamations,' which have been disseminated in foreign countries without a syllable of protest, without the slightest interference by the responsible authorities? No, gentlemen, my opponents must look for some other scapegoat. They must look further for the causes of that feeling of hostility, which I do not think that we have deserved, but which has existed more or less for a century, at least, which always comes to the surface when we are in any difficulty, but which,

I am glad to say, has never done us any serious harm."

It was, Mr. Chamberlain continued, a travesty of history to say that when the Unionists took office in 1895 they found Peace with Honour. Six burning questions of International importance had been left them as an evil legacy by their predecessors. The Siamese *imbroglio*, the Venezuelan boundary, the *Hinterland* delimitations with Germany and with France in West Africa, the Samoan dispute, and the position of the French on the Nile—with all these questions the Unionist Government had grappled successfully, and reached an honourable and satisfactory settlement. Besides this, they had maintained British interests in the Far East, and in agreeing to the immediate construction of an inter-oceanic canal had disposed of a long-standing cause of difference with the United States. These, Mr. Chamberlain declared, were solid achievements in the cause of Peace. But there was something more valuable even than the goodwill of foreign nations. That was the affection and confidence of our kinsfolk across the seas. The losses and sacrifices of the War had been more than compensated. It had enabled the British Empire to "find itself," and united the British race throughout the world. It had shown to all whom it might concern that, if ever we had to fight, as we had fought in the past, for our very existence against a world in arms, we should not stand alone.

This is a point which, before the War broke out, was overlooked by Continental Statesmen who were in the habit of measuring our strength in Europe by the number of our Army. In rubbing this consideration into their minds with as much frankness as he would have employed in dealing with an adversary in the House of Commons, Mr. Chamberlain, if he exceeded the limits of Diplomatic propriety, rendered a service to his country which could not have been performed by a Prime Minister or a Foreign Secretary. Speaking as the representative of Colonial feeling he could use language which in their mouths would

have seemed almost menacing. But, as he declared, a new factor had entered into the politics of the country. In future we must take into account the opinion of the Colonies. We shall have to consult them, and, if we wished them to stand by us, we must be guided, to some extent, by their wishes and aspirations.

Undoubtedly, this speech cleared the air. It was, we were told, a "naked and brutal assertion of British Imperialism," it was a "repetition of the first insult," it was an "adroit piece of personal advertisement." The wrangle came to an end, and some of the more reasonable critics pointed out that Mr. Chamberlain could never have intended to insult the German troops by comparing their conduct with that of the British, since to charge the former with misconduct would have been to confess the equal guilt of the latter. It was universally recognised, moreover, that in taking up this resolute and almost defiant attitude, he had correctly interpreted the temper of his countrymen, and that, unless Germany wished to force a quarrel upon us, it might be well to place some limit on public expressions of dislike or disapproval. The unconcealed amusement of the French newspapers, and the ostentatious indifference of Russian opinion while the dispute was in progress, reminded the most irresponsible Anglophobes in Berlin and Vienna that the German race would be well advised not to fall out with the only European State which does not regard it with open enmity. Besides, they ceased to be shocked at what we were doing in South Africa, when it became evident that we should be successful.

In spite of the difficulties on which political and military pessimists were still enlarging, the opening of 1902 marked the beginning of the end of the War. The Colonial Secretary, whose administrative functions in regard to South Africa had been partially suspended while the whole region was more or less under Martial Law, became almost absorbed in thoughts of the Settlement that would follow the approaching restoration of Peace. Except

On entering Parliament to his Department, he took no very active part in the Debates of a Session which began on 16th January, and, after an adjournment from 8th August to 16th October, was not closed till 18th December. But with regard to the new Education Bill, which was under keen discussion during the whole of that period, and did not become law before the day of Prorogation, it was necessary for Mr. Chamberlain to make a formal defence of his well-understood position. So far from producing accord between Parties, the debates in Parliament had only exaggerated the points of difference, and it naturally devolved on Mr. Chamberlain to conciliate, if possible, the opposition of those Radical Nonconformists who on other questions had hitherto supported the Government. Amongst his own constituents there was a sharp controversy. Indeed the Bill had been formally condemned at a meeting of Liberal Unionists convoked by certain influential Birmingham politicians. It was in the hope of appeasing this discord that on 10th October he summoned a conference of the Liberal Unionist Party in the city—just before the commencement of the Autumn Sittings of the House of Commons. Whatever charges may be brought against him, he has never been accused of political timidity. Anxious as he was to avert a split in his Party, he spoke with perfect frankness. No amount of agitation, he said, would induce Ministers to withdraw this Bill. They would persist with it, and should it be defeated they would resign Office. As for his personal responsibility in connection with the Bill, he had taken part in discussing it both before and after it was introduced. Subsequently, he admitted, he had not followed it so closely as he could have wished. His preoccupation with South African affairs had prevented him from sitting by Mr. Balfour's side and giving such help as he might be able to afford. Nor must it be supposed that the Government ever expected their Party or the country to accept the text of the Bill, line by line and word by word, just as it stood in the first instance.

He had already explained the necessity for some such Measure as the one now brought forward. As an old member of the Birmingham Education League, he adhered to the opinion that State Education should be purely secular, but had long ago realised that on this point he had no chance of persuading the majority of his fellow-countrymen. Therefore he accepted an arrangement which preserved the main interest of the nation and did justice to all classes, though it did not carry out his personal views.

While he recognised that a certain number of Churchmen and Conservatives, as well as Nonconformist Liberal Unionists, conscientiously objected to the Bill, there were others whose opposition took the form of "wild threats" and "blatant criticism" and was entitled to no sort of consideration. They were talking about "quarrels in the Liberal Unionist Party" and a "mutiny against Mr. Chamberlain—prophesying that he would be stoned in his own city, and that his political extinction was imminent."

"I beg you," he said, "to pay no attention whatever, in the discussion in which we are about to engage, to my personal position. I have been threatened many times. I have not been made afraid. The time is coming when the question of whether or not I continue in political life is a matter of absolute indifference to me. But what is of consequence—at least what I venture to think is of consequence—is that the cause and the object to which I have given my life should continue, as they are, strong in the hearts and determination of the British people. If, long after I am forgotten, these principles—for which I take no credit, since, indeed, I have no pretence to have initiated them—but those principles which combine us together as a great Imperial nation—if they remain, it matters nothing about myself or about any individual who has been concerned in promoting them. I hope the differences—if differences there be—between us at the present time may be composed, but if not, if we are unable, if we find it impossible to agree—which I do not

believe—then, at least, let us agree to differ upon this contested and complicated point, upon which, indeed, differences may exist, with mutual respect and mutual regard. Let us consent to that, but let us never consent to do anything that would assist the intrigues of those who, if they were successful, would hand over Ireland to the Home Rulers, would transfer the settlement of the great and important problems arising in South Africa—the War in which we have been engaged—to the discretion and the patriotism of the pro-Boers, would leave our interests in the hands of the Little Englanders, who would depend for our reforms upon the framers of the Newcastle Programme.”

What was wanted, Mr. Chamberlain continued, was “more facts and fewer phrases.” They all approved of Religious Equality. But what was meant by the expression? How far would they go to secure it? Would they force Churchmen, Dissenters, Roman Catholics, Jews, Unitarians, to pay rates for a religious education that either omitted something which one sect or the other regarded as essential or included something which they disbelieved? and would they at the same time withhold from these different creeds the right of obtaining such religious education as they did approve? Would that be Religious Equality? Though concurrent endowment might be justified nothing could be said for the endowment of a particular form of religion and the exclusion of all others. The only logical alternative was the absolute secularisation of State Education. That, however, the majority would not accept. Nor would the Non-conformists profit by an arrangement that left each sect to provide religious teaching at its own expense. Being less rich than the Church of England and the Roman Catholics, and having no machinery provided, they would be at a distinct disadvantage. Another system was that prevailing in Canada, where every ratepayer was entitled to say to what class of school his rates should be allotted?

None of these plans commended themselves to Mr. Chamberlain's mind. Was there any other alternative than the one suggested by the Government?

It was said again, that Taxation and Representation should go together. He agreed with the principle—"speaking generally and as far as possible"—though it was by no means universally observed in any Constitution. Well, the Government Bill did provide for Representation. Possibly it might not be thought adequate—that was a question of degree—but the intention was to institute absolute popular control of the whole secular instruction. If this object was not sufficiently attained, Ministers would be bound to amend the Measure. Here was the crux of the situation.

"Suppose (he asked) that by Amendments, perhaps suggested by ourselves, but at any rate absolutely satisfactory to you, we make it perfectly clear beyond contention that the whole of the secular education of those Denominational schools is for the first time brought under popular representative control, will that satisfy you? That is the question. If we do that, will you be satisfied to leave the religious education in these schools as it has been for thirty years and a great deal more past? Will you leave that untouched in the hands of the Denominational Managers or Trustees who have provided the schools? What is the alternative? The alternative would be that you would claim that the Government, like the extreme sectarians who have recently been addressing the country, should engage in a crusade against Denominational schools—that they should force on them an undenominational system, and, that if they refuse to adopt the undenominational system, they should force upon the ratepayers the cost, the enormous cost, of providing substantial buildings and educating half of the whole of the children in this country. There is no eluding—there is no evading—that point, and all I ask you is to say which it is you want. Are you willing that a system

which has continued so long should remain, the only change being, and that is entirely in our direction, that the whole of the secular instruction should for the first time be taken out of the hands of those Denominational and religious persons; or do you say that you insist that the opportunity of this Bill, that the necessity which was imposed upon the Government in view of the miserable condition of education in the great number of districts, should be taken advantage of by sectarians in order to destroy Denominational education?

"Well, that is a question upon which I wish your answer. But then I am bound to tell you, if the last of these two alternatives is your policy, if you are satisfied with nothing short of the destruction of the system which was generally admitted in 1870, so far as the Denominational schools are concerned—there was no question then about the destruction of the Denominational schools—if you desire that this opportunity should be seized in order to make a revolutionary change of that kind, you are going altogether beyond any compact between the Unionist Parties, and you are putting yourselves in a position in which no arrangement of any kind is possible. It will be no use our proposing concessions which we know beforehand will be rejected. We will be glad to meet you in any reasonable form or direction, but if you ask that we should go so far from our original direction as to take up and to carry through a policy which no Radical Government has ever dared to suggest—then I say you are going beyond what is reasonable, and you must face the position in that case. If there are such persons who take such extreme views in our ranks, all I would say to them is that I would, most earnestly and sincerely appeal to them. I say we must agree to differ. We cannot go altogether upon those lines, but I would ask them whether they think that, on account of this one difference in so many, they would be justified in breaking up the Unionist Party, or in trying to break it up, not

because the Government is doing something new, to which they have a right to object, not because we are reactionary in our proposals, but simply because, at the dictation of what, after all, is a very small minority of the country, we refuse to undertake an entirely new departure, adopt a policy which was disclaimed altogether by everybody who was concerned in the agitation of 1870, which was no part whatever of the programme either of the Central Nonconformists Committee or of the National Education League. I cannot impress upon you too strongly the importance of settling this vital point. Do you complain of the Government because they have gone backwards? In that case, your complaint ought to be considered. It ought to be fully answered; and, if it cannot be answered, we ought to amend the Bill, so as to satisfy you. But, on the other hand, if you complain that we do not undertake something entirely new, something altogether beyond anything to which any of us were ever pledged, then I venture to say you are unreasonable. You will not get it from the Unionist Government—and let me add you certainly will not get it from the Radical Government who would succeed the Unionist Government—but you will get a great deal that you will not like. I do not believe that there is any appreciable proportion of men in our ranks who take a view so unreasonable as that."

The remainder of the speech dealt with points of detail, and, after a prolonged private discussion, Mr. Chamberlain invited the meeting to vote Yes or No to a series of questions which he had prepared.

First.—Are you or are you not in favour of popular control of secular instruction, whilst safeguarding the religious instruction, in accordance with the views of the founders?—This was answered in the affirmative by a large majority, the Noes numbering ten.

Second.—With the view of safeguarding this instruction, are you ready to leave the election of the head

teacher in the hands of the managers?—Answered in the affirmative by a large majority, the Noes numbering sixteen.

Third.—Are you in favour of the abolition of the Cowper-Temple Clause?—Answered in the negative, the Ayes numbering four.

Fourth.—Should the Council appoint a majority of the Education Committee from its own body?—Answered in the affirmative, the Noes numbering one.

The “special verdict” was, thus, in favour of the Government Bill, but its effect was, no doubt, somewhat discounted by the almost unanimous declaration, elicited by the two leading dissentients, that “the majority of the Management Committee of each of the Voluntary Schools, so far as secular instruction was concerned, should be popularly elected.”

What exactly was the effect produced by Mr. Chamberlain's address was, even at the time, a matter of conjecture. But the broad results were at once apparent. He had failed, on the one hand, to convince his leading opponents: on the other, it was clear that no split would occur in the Liberal Unionist Party, and that those who most strongly disapproved of the Government Bill would continue their general support of the Unionist Administration. This much Mr. Chamberlain had attained, and probably this was all he had looked for. He knows Birmingham men too well to think that prominent citizens who had taken a strong line on any question of the day would be converted by an adroit public speech, or would not have considered any arguments that he could produce to them in a private conference. The most to which they could be expected to assent was not to play into the hands of the common adversary.

In the Debate on Mr. Balfour's Motion (11th November) to apply the “Closure by Compartment” to those clauses of the Education Bill which had not passed

through Committee, Mr. Chamberlain was in an awkward position. In resisting a similar proposal, nine years before, with regard to the Home Rule Bill, he had described it as a precedent which would "cloud the honour of the House of Commons," and "risk the free liberties of Parliament." That he had said "quite apart from the circumstances of the merits or demerits of that particular Bill or the proceedings under it." This had been quoted against him, beforehand, by Sir Henry Campbell-Bannerman, and the House was naturally anxious to see how he would set up a sufficient *distinguo*. Moreover, some of the ground had been cut away under his feet by Mr. Balfour who, in a conciliatory speech, had exonerated the Opposition as a body from the charge of Obstruction. It was impossible for Mr. Chamberlain to express, on this point, an opinion different from his Chief's, though he hinted that Mr. Balfour's courteous admission had been somewhat too general. But, though Mr. Chamberlain might not accuse the other side of Obstruction, he did assert that they had done all they could to prevent the Bill passing. They had tried to smother it by Amendments. If that was not Obstruction, he should like to know how they would define the term? Nor did he blame them. He himself had obstructed Bills which he thought obnoxious. They said that their object was to "improve" the Education Bill. He believed that they wished to destroy it—as he had wished to destroy the Home Rule Bill. But how far the Rules of the House should permit such a course was another question, but so long as they did permit it that course would be followed. The best justification for the decision of Ministers to force the Bill through the House was that on almost every Division they had gained a majority of nearly two to one—indeed, the average was three to one!

As for the argument that Ministers had no "mandate" to pass an Education Bill, because the General Election of 1900 had turned on the War, he retorted that, on such

reason: Mr. Gladstone had received no "mandate" for the Home Rule Bill of 1893, since the General Election of 1892 had turned on the Newcastle Programme, every candidate using just that part of it which he thought most popular in his own Constituency. Except the Irish members, and a few English Radicals like Mr. John Morley, who were personally identified with the cause, very few had insisted strongly on Home Rule, and Mr. Gladstone himself, though plied with numberless inquiries, had refused even to give an outline of his plan. The Opposition had not the faintest idea what sort of a Bill he was going to produce.

Thus far, Mr. Chamberlain had carried the majority of the House with him, but in the heat of discussion he fell into one of those mistakes which beset a speaker who relies too much on his readiness. Mr. Lloyd-George, he said, had introduced an entirely new idea.

"He says that the object of this closure is that we are afraid of a split in our Party, and he gave as evidence of this approaching revolt or revolution a certain meeting in Birmingham. I do not want to say much about the meeting in Birmingham, except that if it was satisfactory to him, I can assure him, from the bottom of my heart, it was eminently satisfactory to me. I may say that I am told that in Birmingham, where this revolt or revolution, as described in some of the Opposition papers, is to take place, I am shortly to receive from my friends and fellow-citizens an exceptional welcome. Do you object to that? I do not want to be ungenerous. In what way is it ungenerous? I will not include in what I have to say any of the Liberals of Birmingham; but, as regards the Liberal Unionists and Conservatives, who are the only people whom you profess to believe to be in revolt, I speak with confidence, and I know that I have not lost their support. That is my point. The idea that, because a great Party on a complicated Bill has displayed certain differences of opinion, there is the commencement of a revolt or mutiny,

or that those who take a different view of the Bill than themselves are about to join the Radical Party, is utterly absurd to those who know the political life of Birmingham."

Undoubtedly Mr. Chamberlain had not intended to suggest that the part which his political opponents were about to take in the public ceremony at Birmingham signified approval of his Education policy, but his *impromptu* reference to their action was so worded that it gave the Opposition moralists an opportunity for lecturing him in a breach of etiquette.¹ All he had intended to say—as he explained directly afterwards—was that the friendliness accorded to him by his own people in Birmingham showed that what was called the revolt had not gone very far.

A more acute controversy—one that recalled old days—had arisen earlier in the Session. In the course of a general defence of the Government policy in South Africa, the Colonial Secretary had referred to the vain persistence of the Boer guerrillas in prolonging the state of war, and quoted the language of the Boer General Vilonel who had declared that the enemies of his country were those who continued a hopeless struggle. "Vilonel is a traitor!" ejaculated Mr. Dillon. "No, sir, he is not," retorted Mr. Chamberlain; "the hon. gentleman is a good judge of traitors,"—here a scene of uproar broke out, and when Mr. Dillon at last got a hearing he said, "I desire to say, Mr. Speaker, that the right hon. gentleman is a damned liar."

¹ The invitation to take part in the public banquet to Mr. Chamberlain had been accepted by the Birmingham Liberal Association on the understanding that the honour was to be paid to him by his fellow-citizens as to the "accredited representative of the nation" who was going out to South Africa "with the object of solving, in a generous spirit, the complicated problems that await solution." It was resolved on 3rd November by the Management Committee of the Association as follows:—

"1. There was a unanimous feeling that Mr. Chamberlain's journey was wisely conceived in the interests of future peace.

"2. There was a unanimous opinion that every Liberal anxious for the fusion of parties and races in South Africa would do his best to make Mr. Chamberlain's mission a success.

"3. That Mr. Chamberlain was more likely to be successful, if it was clearly understood that he came, not in any narrow political capacity, but as representing all

withdraw that expression there was for Mr. Balfour to move that he should. The Irish members thought that Mr. had been unfairly treated, because Mr. Chamberlain's expression had not been rebuked by the Speaker, and on 7th May they brought forward what was virtually a vote of Censure on the Chair. In this, of course, they were defeated by an overwhelming majority. By raising this issue they prevented any authoritative declaration being made as to whether Mr. Chamberlain had exceeded the limits of Parliamentary order. Probably he had done so, but, as the Speaker pointed out at the time, the original provocation had come from Mr. Dillon.

Throughout the Session of 1902 the Irish members were in an unusually explosive temper. Openly sympathising, as many of them did, with the Boers in their struggle for Independence, they were embittered by the constantly accumulating evidence that the already proclaimed Annexation of the two Republics would very soon be rendered effective. They rejoiced without disguise in any incident that seemed likely to delay the final triumph of the British arms, and some of them, when the news of the defeat and capture of Lord Methuen on 7th March was read out in the House of Commons, were so imprudent as to greet it with a cheer—a puerile and unmannerly display which disgusted most of their Liberal friends.

classes and parties in England who desire South Africa (torn with war and racked with internal dissensions) to settle down into a peaceful, self-governing, law-abiding community.

"4. It was also clearly understood that the presence of representatives from the Birmingham Liberal Association did not in any way commit them or the Association to any approval of Mr. Chamberlain's action or language respecting any other matter than the mission in hand.

"5. The Committee received official assurance that Mr. Chamberlain clearly understood the nature of the gathering, and had definitely declared his intention of not making a Party political speech.

"6. Under these circumstances the Committee felt they ought not to allow their strong disapproval of much of Mr. Chamberlain's Party strategy, and their indignation on account of what they think his unjust criticisms of their opinions, to prevent their support of him in a policy which may be fraught with lasting consequences to the peace and prosperity of South Africa."

Their animosity was especially directed against the Statesman whom they regarded as chiefly responsible for an oppressive policy, nor was their attitude towards the Government generally modified by the comprehensive Measure for assisting Land Purchase in Ireland, introduced by Mr. George Wyndham on 25th March. Their reception of that Bill was so cold and contemptuous (on the ground that it did not provide for Compulsory Sale), that the Chief Secretary in the Autumn Session announced that it would be withdrawn.

Apart from his relations towards Mr. Redmond's followers, and from occasional brushes with Sir Henry Campbell-Bannerman, Mr. Asquith, and other Opposition Leaders, the Session of 1902 was for Mr. Chamberlain unusually pacific. It was generally recognised, even by those who blamed his Diplomacy before and during the War, that he was honestly desirous of arranging a fair and permanent settlement of South African problems. When it was announced on 27th October that he was about to make a visit to the scene of the late War, he was universally complimented and congratulated on so bold a departure from Downing Street precedent. The hopes with which his mission was contemplated before he started were faithfully recalled after his return by Mr. John Morley in a speech (13th April 1903) at Montrose. Though it was still too soon to estimate the results achieved, the old friend and never ungenerous opponent declared that all Parties agreed in recognising "the manful and intrepid spirit which induced Mr. Chamberlain to go and watch the working of his own policy on the spot, and to endeavour to produce from it the fruits of a real conciliation."

The slight misunderstanding caused by Mr. Chamberlain's reference in the House of Commons to the honour about to be paid him in Birmingham soon passed away. When he went down on 17th November to be the guest of the City it was clear that all Parties had joined cordially in the popular reception. John Bright himself, the greatest

of modern English orators, and, with all his limitations, one of the noblest figures in the public life of the Nineteenth Century, had not appealed more closely to the civic pride of his fellow-townsmen than the Minister who, after thirty years spent in unceasing strife, was acclaimed by the universal voice as the one man who might, perchance, heal the wounds left by a bitter and desolating War, because he could be trusted to do equal justice between discordant races, clashing factions, and intriguing politicians. His industry in mastering facts, his skill in managing men, had been generally recognised ever since he became prominent in politics; his sincerity in following out what he regarded as the patriotic policy had for many years been admitted by most of his political adversaries; but it must be confessed that the public faith in his impartiality was, at the end of 1902, a growth of only a few months, and the expectations of his success in the character of Conciliator were based chiefly on public speeches and administrative acts subsequent to the Peace of Vereeniging. Whatever may prove to be the results of his mission to South Africa, there was not at the end of 1902, and will not be hereafter, any question either as to the motives with which he started or the hopes he inspired. The decorations of the public buildings in his own City, the crowds assembled in the streets to greet his arrival and departure, the bonfires, the torchlight processions, the complimentary speeches at the Banquet, where the tributes paid by his friends hardly went beyond what his adversaries would have conceded—all these popular demonstrations did but add the emphasis of local enthusiasm to the general expression of national confidence.

The task on which he was about to engage was, he believed, not an impossible one. The first duty of the country was to deal wisely and generously with those who had stood by us—the second duty was to induce those who had recently been in arms against us to accept the new situation. “This,” he said, “is our task. Why should

we despair of it? Have we not much in our past to justify optimism in such a case. Why, in our own history, there were times when Royalists and Puritans, or Jacobites and Hanoverians, even Scotchmen and Englishmen were separated much more widely than are British and Boers to-day. And, on the other side of the Atlantic, in America, the terrible wounds that were left by the greatest of Civil Wars have been healed over, and now we have, in the most powerful and the most numerous of English-speaking peoples, an absolutely united nation. And in our own Colonies have we not had an equal difficulty to deal with? Do we not now see the descendants of the men who fought at Montcalm against Wolfe in Canada—do we not see their descendants—now sending to be Prime Minister of the Dominion one of themselves, a man universally respected and popular with both races? I hold that these are examples which show us that if the task is difficult it is not impossible, and if it is not impossible Englishmen—Britons—will accomplish it.

“The burden of this task has fallen, and will continue to fall, mainly on the shoulders of Lord Milner. It is to his policy of firmness and moderation combined that we look for a successful result. We have placed upon him a great responsibility. We have given him our full confidence, and, if I now go out to South Africa with his cordial approval, one of my chief objects is that I may be better able, when I return, to support his policy, when I have gained a wider knowledge and a clearer understanding of it. I shall see on the spot all the difficulties with which he has been confronted. I shall gain a better conception of the colossal task that he has undertaken, and I believe that in this way, and by that frank interchange which will take place of views and opinions, we shall be able to preserve a harmonious co-operation between the Home and Colonial Government, which is an essential condition of success in every case of Colonial Administration. But I do not go to South Africa to see Lord Milner only, I go to see every

representative of every class and race and section who may desire to see me. My ears will be open to all that they have to say to me, my eyes to all that they will show me, and in this way I cannot help thinking that, though my stay must necessarily be short, I shall learn more in a few days of this intimate acquaintance with the people of the country than I could possibly gain by months of study of Blue Books and official Despatches."

It was not unfitting that this profession of faith should be made in the Liberal and Progressive city which had hitherto followed him faithfully—though not always without hesitation and searchings of heart—in each new phase of a varied career. The tribute he paid to his fellow-townsmen had been amply earned. He spoke of their public spirit and energy, their independence and broad-minded toleration as the qualities which had made Birmingham a city great in the eyes of men!

"But (he continued) if I go on to say why I love it, then I am touched with more than a personal note. How should I do otherwise than love it? Here is my home, here is my family life, and no man owes more than I do for the blessings of a family life. Here I have sorrowed, and here I have rejoiced, and through good and evil, through all the vicissitudes of my career, the sympathy and the goodwill of the people of Birmingham have followed it and bound me to it by links of steel. The great share which you have had in the precious memories of my life, and—now that I am starting on a new experiment, that I am attempting a great adventure, of which I know as well as anyone that there are connected with it great risks of failure—the fact that you have given me a proof of your continued kindness, of your goodwill and your interest, which will follow me on every stage of that arduous work, are the best augury for my success."

The only other public utterance of Mr. Chamberlain in 1902 which calls for reference here is his defence of the Corn Duty. On May 16th, at Birmingham, he pointed

out that, of the 228 millions which the War had cost, 150 millions were to be raised by Loan. The remaining 78 millions were to be divided between the Income Tax, which would contribute 40 millions, and Indirect Taxation, which would yield 38 millions. Of the latter amount, about $2\frac{1}{2}$ millions would be raised from a Duty of threepence a hundredweight on imported Corn and of fivepence on imported Flour. Half of this might be called a Bread Tax—but it came to less than one-eighth of a penny on the fourpenny loaf. Yet the Opposition described this as a tax on the poor! They appealed, he said, to passion and prejudice. They recalled the evil traditions of a time when the Bread Tax was indeed a serious burden, when it was not threepence a hundredweight, but twenty shillings a quarter, and even more! And this at a time when the working classes were on the average earning only half their present wages, and, in addition to the Corn Duty, were paying “many times more on other articles of common consumption.” It was ridiculous to compare the present tax with that which existed fifty or sixty years before. After briefly mentioning—though neither adopting nor rejecting—the theory that the real weight of the tax would be borne, not by the consumers in this country, but by foreign producers, he said that he had not come down to defend it before his constituents on the ground that they would not have to pay it. He assumed that they would have to submit to a slight increase in the price of bread. He defended it as a War tax—the War for which it was raised was a just, righteous, and necessary War—a War made in the interests of all classes alike. He repudiated Sir William Harcourt’s sneer that the working man was ready to cheer for the War but unwilling to pay for it. That was a libel on the working classes of this country.

The speech is important, because it shows that in May 1902 the only arguments with which Mr. Chamberlain thought it prudent to vindicate the Corn Duty were based on the assumption that the import was a special and tempo-

rary one. He did not hint that it might be rendered permanent, or made the basis for a new departure in the Fiscal policy of the nation. In this connection it must be borne in mind that Mr. Chamberlain had not yet commenced the second of his Conferences with the Colonial Premiers.

The legislation of 1903 calls for no more than a brief summary in these pages, since most of the Government Measures had been prepared during Mr. Chamberlain's absence, and much of the rough preliminary work in Parliament was transacted before his return. The chief Act of the Session, perhaps the greatest accomplishment of the Unionist Administration, was carried by Mr. George Wyndham. His great scheme of State-aided Land Purchase in Ireland was largely, though not entirely, based on the recommendation of a Conference which Lord Dunraven had convened between representative landlords and tenants; and the Bill, as subsequently modified in Committee, gave satisfaction to all but a few extreme men on either side. Roughly, it provides for the gradual advance, within the next fifteen years, of a sum estimated at 100 millions, on very easy terms as to interest and repayment by the purchasing tenants. But the distinctive feature of Mr. Wyndham's scheme is the bonus of 12 millions which is to be distributed among the landlords who consent to part with their estates, and which works out as an addition of 12 per cent to the agreed price. By this inducement he hopes to achieve practically the same results as by the compulsory expropriation on which some of the Nationalist Party had threatened to insist, but which no Conservative Minister could have countenanced. In spite of prolonged debate on the almost innumerable minor issues presented by a complicated Bill, it was clear from the first that neither landlords nor tenants meant to wreck the proposal, as they knew that many years would pass before they would obtain so favourable an offer. When the "Zone" question had been settled by mutual accommodation, and the proposal to retain one-eighth of the purchase annuity

in the hands of the State had been abandoned, no serious opposition was encountered from any Irish quarter. The only important criticism proceeded from English members who distrusted the security on which the advance was to be made. In case the tenants should make default, the only remedy of the Government would be to withhold the grants for local administration. Such a remedy would, no doubt, prove illusory, but Mr. Wyndham convinced Parliament that the danger apprehended was also imaginary. It is, however, no secret that Mr. Chamberlain was by no means enamoured of the Measure, and, on his return from South Africa, sought to modify it considerably.

Gratitude for the Land Bill was not the only reason why the Nationalist Members gave Ministers an almost unwavering support throughout the Session. Being as a body Roman Catholics, they were anxious for the success of the London Education Bill, which aimed at extending to the Metropolis the same principles as had been applied by the Act of 1902 to the other parts of England and Wales. They felt no interest in the dispute over the conflicting claims of the County Council and the Borough Councils to representation on the Education Authority. All they cared about was that schools in which a distinctive religious teaching is administered should be assured of a subvention from the Rates. With this main purpose in view, they stood by Ministers in several critical Divisions, and ensured the success of a Measure which, neither in its original form nor in any of its subsequent modifications, had obtained the general approval of the Unionist Party, while the controversies in Parliament added fresh fuel to a fierce agitation which had been got up out-of-doors by Dr. Clifford and other promoters of "Passive Resistance."

The Port of London Bill (which had to be dropped) and the Motor Car Bill (which became law) were, with Army Reform and the Venezuelan disturbance, the only topics that for the time drew public attention from the

issues directly or indirectly raised by Mr. Chamberlain.

Though it was known that the Chancellor of the Exchequer would be able to make a substantial reduction in the burdens of the country, the proposals for the coming Budget had been kept scrupulously secret. This reserve was the less surprising, because when they were made public it was clear that they had only been settled at the last moment, and, so it was shrewdly conjectured, not without keen discussion among Ministers. Mr. Ritchie, in a public speech, had spoken in a sanguine spirit about his hope of giving relief to the payers of Income Tax, but he had also expressed his approval of the indirect taxes which had been recently adopted. It was, therefore, with universal astonishment that the country heard that not only would fourpence be taken off the fifteen-penny Income Tax, but that the Corn Duty would also be abandoned. Various were the explanations offered by Ministers. It was said that the surplus (which considerably exceeded 10 millions) had turned out to be much larger than was anticipated at the Treasury, and that Ministers had always intended to give up the Corn Duty, because, as Mr. Ritchie confessed, it lent itself so easily to misrepresentation. That is to say, it had been denounced by Cobdenite Radicals as the thin end of the Protectionist wedge. Nor could it be denied that at the by-elections the Opposition had made effective play with the "Big Loaf and Little Loaf" argument. On this ground, if on no other, it was advisable to give up the Corn Duty. But there was, as we shall see, another reason why it was abandoned. This, however, it was, for the present, impossible to disclose, and the public were more puzzled than convinced by Mr. Balfour's ingenious and elaborate dissertation on certain undeniable, but by no means irremediable, drawbacks associated with the incidence of the Duty. His explanations did, indeed, but increase the mystery.

Unionists who had defended the Duty both on its merits and as a precedent in the long-promised readjustment

between Direct and Indirect Taxation, were undisguisedly puzzled what line to adopt. If the Government had been right in 1902, it followed that they must be wrong in 1903; and those Conservative Members who have always cherished hopes of the country reverting to Protective legislation in favour of British Agriculture were openly indignant. Mr. Chaplin, as their representative, gave notice of a hostile Amendment to the Second Reading of the Finance Bill, and an animated Debate was expected. Meantime, the whole situation was suddenly changed. Before the discussion came on, Mr. Chamberlain had gone down to Birmingham and shown his hand. His declaration in favour of a Preferential system between the Mother Country and the Colonies, and of Retaliation against oppressive foreign Tariffs¹, while it committed no other Member of the Cabinet to the opinions he expressed, did but deepen the obscurity as to the motives for the abandonment of the Corn Duty. Special mention was made of Canada in regard to the proposed policy of Preference, and if that were to be adopted the first thing to do would be to reimpose, in some form, the tax now thrown aside. Clearly, the division in the Cabinet had cut deep, and it was confidently asserted that Mr. Chamberlain had taken this new departure without asking the opinion of his colleagues as a body. This, it was said, was his reply to the abandonment of the Corn Duty.

The conjecture was well within the mark. It has recently become known that Mr. Chamberlain in November 1902, before his departure for South Africa, had presented to his colleagues in the Cabinet a draft, at least, of his scheme for a system of Preferential Duties within the Empire. It turned, of course, upon the maintenance and extension of the Corn Duty. By abandoning that tax the Cabinet would destroy, or postpone, the contemplated wider policy which the Colonial Secretary had recently adopted. During his absence the Ministerial opponents of that new Departure had had things pretty much their own way,

¹ For a fuller account see Chapter XIX., "Steps Towards Federation."

and it was decided, if the financial position should permit them, not merely to reduce the Income Tax but also to get rid of the Corn Duty, and thus strike at the very root of a policy which a majority of the Cabinet both distrusted and disliked. On Mr. Chamberlain's return he found that the question had practically been settled against him, nor was this the only point on which he had to encounter rebuffs from his colleagues. Both in regard to the forces in South Africa and the Irish Land Bill he had to accept conclusions which did not commend themselves to his judgment. On these issues, however, there was nothing to be done but for the time to submit to the inevitable. As to fiscal policy, however, he stood on somewhat stronger ground. He had gained the general support of the Prime Minister and several of his colleagues. The others he resolved to defy, and hastened to define and assert his position in the speech which he delivered on May 15th.

On the Friday following (22nd May), he unexpectedly intervened in a discussion—from which he might have absented himself without comment—on the Aged Pensioners Bill. Taunted with his failure to redeem his pledges in regard to Old Age Pensions, he declared that the scheme was by no means dead. He still hoped to carry it if the money could be provided, and it might be provided if a Duty were levied on foreign Imports. This was interpreted not merely as a re-affirmation of his previous declaration, but also as indicating roughly the scale on which he hoped that his scheme of combined Preference and Retaliation would be carried out.

The later developments of Mr. Chamberlain's new policy, and the reception given to it on both sides in Parliament, must be reserved for a later Chapter. Here it is sufficient to point out the anomalous position in which it placed both Ministerialists and the Opposition with regard to the Finance Bill. On 10th June, the Amendment moved by Mr. Chaplin to the Second Reading was defeated by 424 votes against 28, the minority consist-

ing almost exclusively of out-and-out Protectionists. The Liberals, of course, were unable to support what they treated as a Protectionist Resolution, while the great bulk of the Unionist Party saw no reason for opposing Ministers on a direct Vote of Confidence, especially as Mr. Balfour made it clear that any difference of opinion as to Mr. Chamberlain's policy was not to be considered as "striking at the root of Party unity or loyalty." On this understanding, Ministers secured an overwhelming triumph in the Division Lobbies, the remaining stages of the Finance Bill were passed without serious difficulty, and the Third Reading was taken on 24th June. But, though Mr. Balfour's tactfulness had arranged a truce, nobody believed or pretended that there was peace within the Party.

If harmony was to be restored, and a basis laid for continued co-operation between the two groups within the Cabinet, it was evidently advisable that nothing should be said or done which would exasperate personal feeling on either side, or widen the existing differences of opinion. This was recognised by the members of the Government. Those who inclined to Free Trade were ready that a full "Inquiry" should be held into the results of a system which had been on trial for more than half a century, while the advocates of "Tariff Reform" disclaimed the imputation that they were seeking to drive out of Office those colleagues who looked unfavourably or sceptically on the new Programme. Some of the Unionist members who on other questions had shown a disposition to disregard strict Party discipline endeavoured to extract from Mr. Balfour a definite statement of Government policy with regard to Mr. Chamberlain's proposals, but, by an adroit use of Parliamentary forms, he managed to parry all inconvenient inquiries. He offered to give a day for the discussion if the Leader of the Opposition would put down a formal Vote of Censure, but on no other terms would he consent to a Debate. Obviously, it would not

suit for Liberal critics to choose, at this early stage of a great controversy, between supporting and opposing the Government. Nor did Sir Henry Campbell-Bannerman think it politic to place them in this dilemma. For the time, therefore, the question was shelved. But if the responsible Statesmen practised reserve and mutual forbearance, if they hoped, by postponing controversy, to avert conflict, the irresponsible agitators, the local organisers, and the pamphleteers were impatient to begin—they started without waiting for the flag. A Session which had resulted in an average amount of good legislative work was thus brought to an indecorous and perplexing close. While Ministers and their supporters were acting together at Westminster, the Constituencies were being flooded with contentious leaflets, expounding and applauding, criticising and denouncing, what both sides agreed to call “Mr. Chamberlain’s Policy.”

CHAPTER XIV

FROM THE RAID TO THE WAR

Before Mr. Chamberlain took office at Midsummer 1895, his predecessor, Lord Ripon, had promised to transfer the Bechuanaland Protectorate to the control of the Chartered Company. It was to protest against the completion of this arrangement that the three Chiefs Khama, Sebele, and Bathoen, had been advised to make their fateful journey to England. They arrived early in the Autumn. Mr. Rhodes and his associates had long desired, for commercial as well as strategical reasons, to absorb Bechuanaland; but the Chiefs feared and disliked the Company, and, under the leadership of Khama—an able man of pronounced religious views and influential here in Missionary circles—induced the new Secretary of State to re-open their case. To hand Bechuanaland over to the Company might, it was represented, lead to a native rising, and certainly it would affront a powerful section of opinion in England, where there was a growing suspicion that the interests of the native races in South Africa were being needlessly sacrificed to gratify Mr. Rhodes's ambitions. On the other hand, it had already (*i.e.*, in August) been urged by representatives of the Company (Dr. Rutherford Harris and Earl Grey) that it should forthwith be given facilities for carrying the Cape railway northward to Buluwayo over the Eastern part of the Bechuanaland Protectorate. The Company tried to "rush" this point, but Mr. Chamberlain saw no reason for hurry.

Eventually, after a close examination of the facts and arguments on both sides, Mr. Chamberlain decided that each of the three Chiefs should cede the Company a strip of country, six miles wide, marching with the Transvaal border, and with this transfer of territory went the control of the Police. This, Mr. Chamberlain afterwards explained, was to his mind a natural consequence, which aroused no suspicion. The Company thus gained the railway facilities which its agents professed to be working for, and the strategical point on which Mr. Rhodes had set his heart, although the Protectorate was withheld. Khama and his two colleagues were thus made secure in their rights, but certain minor Chiefs, Ikaneng of the Bamalili, and Montsioa of the Bora-Tsile Baralong tribes, had already made direct concessions to the Company. Proclamations were issued carrying out these arrangements; and in November the Police of the Chartered Company were moved into the strip—much to the alarm of Khama, who still feared that the Company would seize his territory. The High Commissioner (Sir Hercules Robinson, afterwards Lord Rosmead) withdrew the Bechuanaland Border Police to Mafeking, and arranged for their transference to the Company. Dr. Jameson, Administrator of the Territories of the Company, came down South, denuding Matabeleland and Mashonaland of troops, and organised the forces anew for his intended Raid on the Transvaal.

A glance at a map will show that, for the purposes of an invasion of the South African Republic, with Pretoria or Johannesburg for its objective, the best “jumping-off place” was the identical strip comprised in the territory ceded by Montsioa. This was so clear after the event that Mr. Chamberlain’s enemies, at home and abroad, declared that he must have been aware beforehand of the purpose to which his concessions would be applied—that he was privy to the Raid, an accessory before the fact.

That such a charge should be brought, and believed in, by Mr. Krüger (see his *Memoirs* published by Fisher Unwin), is not surprising. But the same imputation was also made by English friends of the Boer Cause. Nor can it be denied that many patriots of the more random sort, both here and in South Africa, still consider the accusation true—and regard it as a compliment! Before dealing with the probabilities of the case, it may be as well to see what light is thrown upon it by the testimony of the persons chiefly concerned. These were Mr. Chamberlain, Lord Selborne, then Under Secretary of State for the Colonies, the late Mr. Fairfield, then Assistant Colonial Secretary, and Dr. Harris. According to the evidence of the latter gentleman, given before the Select Committee appointed to inquire into the origin and circumstances of the Raid, he informed Mr. Chamberlain that the Chartered Company, if the strip were ceded, would not stand by and see the people of Johannesburg tightly pressed if a rising were to take place there.

Mr. Chamberlain, however, had no recollection whatever of such words being used to him, but he remembered that Dr. Harris had wished to give him some confidential information. "I stopped him at once," said Mr. Chamberlain, in his evidence before the Committee. "I said, 'I do not want to hear any confidential information. I am here in an official capacity. I can only hear information of which I can make official use,' and I added, 'I have Sir Hercules Robinson in South Africa.'" Lord Selborne, who was present at this interview, did not hear Dr. Harris say what he told the Committee he had said to Mr. Chamberlain, but clearly recollected that Dr. Harris endeavoured to impart some information of a personal character, and that he was stopped in the manner which Mr. Chamberlain had described to the Committee.

Dr. Harris further claimed, both in cablegrams to

Mr. P. . . . and in his evidence before the Committee, that he had made Mr. Fairfield acquainted with what was being contemplated. "I mentioned to Mr. Fairfield that one of the reasons why Mr. Rhodes was anxious to get the Protectorate was that he considered it imperative to have a British force on the borders, so that in the event of disturbances taking place at Johannesburg he could be in a position, if he deemed it right, to use that force in connection with it." But Mr. Fairfield's letter to Mr. Chamberlain describing this interview contained nothing to that effect. If Dr. Harris's memory was correct, the natural inference as to Mr. Fairfield is that, either he had not caught the words (he was somewhat deaf), or that they left no impression on his mind. There was nothing startling in them. The likelihood of trouble arising in Johannesburg had long been a matter of common conversation in London, and, if an outbreak should occur, it would obviously be proper that a British force of police should be available for protecting the lives and property of British subjects, until the Pretoria Government could step in and restore order. This, of course, was recognised as a not improbable contingency. But it could hardly be imagined that any reasonable person would attempt to occupy and hold Pretoria with a few hundred Irregular Horse. A force that might be useful in dealing with a town riot—which was all that a "Johannesburg Revolution" was ever likely to be—would not naturally present itself, to the official mind in Downing Street, as an invading expedition, armed and equipped for instant action!

The question was put to the Committee—Had the Colonial Office officials at home received information that could be assumed to convey a warning of the contemplated incursion? The answer of the Committee was decisively in the negative. "Nothing in the course of the Inquiry indicating that the Colonial Office had received, either directly or indirectly, any information on the sub-

ject of the Jameson plan was forthcoming until Dr. R. Harris, while giving in his evidence a description of an interview he had had at the Colonial Office on the subject of the transfer of the Bechuanaland Protectorate to the Company, said: 'It was present to my mind that, in the event of a rising at Johannesburg, Mr. Rhodes wished to be in a position to render assistance with the police forces of the British South Africa Company, should certain eventualities arise. I made no explicit statement to that effect, but I referred to the unrest at Johannesburg, and added a guarded allusion to the desirability of there being a police force near the border. Mr. Chamberlain at once demurred to the turn the conversation had taken. I never referred to the subject again at that or at either of two subsequent interviews I had with Mr. Chamberlain.'

"Immediately after hearing this evidence of Dr. Harris, the Secretary of State for the Colonies tendered himself as a witness, and stated what took place at the interview in question between himself, certain officials of the Colonial Office, and representatives of the British South Africa Company, with reference to the proposed transfer of the Protectorate, and concluded by stating: 'I desire to say in the most explicit manner that I had not then, and that I never had, any knowledge, or, until, I think it was, the day before the actual raid took place, the slightest suspicion of anything in the nature of a hostile or armed invasion of the Transvaal. The gentlemen who were my colleagues in office, Lord Selborne, the Under Secretary of State, and Sir Robert Meade, will be ready to speak for themselves. Mr. Fairfield is dead, and the public service has lost a most honourable, loyal, devoted, and able public servant; but I say, from communications which I have had with Mr. Fairfield, and with the other gentlemen named, I am convinced that they had no more suspicion than I had myself.'

"Dr. Harris was subsequently further examined, and

in the course of his evidence allusions were made to certain telegrams which had passed between himself, when in England, and Mr. Rhodes in South Africa, and *vice versa*, from July to November 1895. Dr. Harris declined either to put in these telegrams or to authorise the Eastern Telegraph Company to produce them. The Eastern Telegraph Company, over whose cables the telegrams in question had passed, were thereupon ordered by the Committee to produce copies of any telegrams in their possession passing between Mr. Rhodes and Dr. Harris, between the 27th July and the 30th November 1895.

"On being served with this order, the Manager of the Telegraph Company attended the Committee, and declined to produce any telegrams which were in their possession, upon the ground that, by the terms of the International Convention, by which the Company were bound, the Company were prohibited from producing the copies of any telegrams, except with the consent of the senders or receivers. The Committee, after hearing counsel on behalf of the Telegraph Company in support of this objection, decided that the order of the Committee must be obeyed, and the telegrams produced.

"At a subsequent meeting of the Committee, the telegrams which had passed between the parties from the 1st November onwards were produced, the telegrams prior to that date having been destroyed in the ordinary course of business.

"It was given in evidence by Mr. Hawksley that in February 1896 he went, after obtaining the authority of Mr. Rhodes, to see Mr. Fairfield at the Colonial Office, and informed him that communications by telegraph had passed between London and Cape Town, which had been used to support Mr Rhodes's action in South Africa.

"On receipt of this communication, Mr. Fairfield, at the request of Mr. Chamberlain, asked Mr. Hawksley for copies, but the request was not complied with at the time, and the matter dropped.

“ But in June 1896, in compliance with a further request from Mr. Chamberlain, a copy was sent to the Colonial Office ‘for confidential perusal and return,’ and was accordingly returned to Mr. Hawksley, who admitted that he retained it in his possession.

“ The Committee called upon him to produce the telegrams, but he declined to do so, and relied upon Mr. Rhodes’s objection to their production when under examination. The Committee informed Mr. Hawksley that their order must be obeyed; he persisted, however, in declining to produce the copy of the telegrams, and said, ‘Mr. Rhodes adheres to the decision he maintained when he was before the Committee in the early part of this year; and, with very great respect, I need not say I still feel that my duty compels me to act upon the instructions I have received from Mr. Rhodes.’

“ Thereupon Mr. Chamberlain made a further statement with reference to the production of the telegrams and their general purport.

“ With regard to the number of the telegrams produced to the Colonial Office by Mr. Hawksley, Mr. Chamberlain said: ‘I know for instance that most, I do not think all, but most of the telegrams which have been already published were included in them, and there were, I know, some telegrams which were sent before the time with which these telegrams deal; but I do not think there could have been very many of them, because I was away abroad the greater part of the time, and no interviews of any sort were taking place, except between the Chartered Company and the Chiefs (they were negotiating in my absence), and it was not until I returned that the negotiations began again.’

“ It would seem, therefore, that most of the telegrams included in the copy sent to the Colonial Office have been obtained by your Committee from the Eastern Telegraph Company. With regard to the contents of the telegrams sent to the Colonial Office, but not produced by the

Eastern Telegraph Company, Mr. Chamberlain said: 'Generally . . . those that were not produced are very similar in character to those that have been produced.'

"In this further statement Mr. Chamberlain intimated that there was nothing in the evidence which he had heard since he first appeared as a witness, nor in the telegrams produced to the Committee, nor in those which he had seen at the Colonial Office, which caused him in any way to modify or qualify the statement he made that he had no foreknowledge of the Raid nor of the preparations for the Raid, and had given no approval to it.

"The Earl of Selborne (Under Secretary of State for the Colonies) also attended the Committee and gave similar evidence. He said, 'The fact remains that from no quarter did the Colonial Office receive any warning'; and with reference to Mr. Fairfield he added, 'I have spoken of my constant communications with him (Mr. Fairfield) in the autumn of 1895 prior to the Raid; after the Raid, and until he was seized with his fatal illness in the autumn of 1896, we repeatedly discussed together the events of the previous year, sometimes alone, but very often with Sir Robert Meade, and I am absolutely convinced of the fact that he had no suspicion of the plan of Dr. Jameson.'

"Your Committee fully accept the statements of the Secretary of State for the Colonies and of the Under Secretary, and entirely exonerate the officials of the Colonial Office of having been, in any sense, cognisant of the plans which led up to the incursion of Dr. Jameson's force into the South African Republic.

"It is clear from the evidence of Mr. Hawksley, and his letter of 5th February 1896, that the telegrams in question conveyed the impression that the action of Mr. Rhodes was known and approved at the Colonial Office.

"The fact that Mr. Rhodes (after having authorised that they should be shown to Mr. Chamberlain) has refused to allow them to be produced before the Committee,

leads to the conclusion that he is aware that any statements purporting to implicate the Colonial Office contained in them were unfounded, and the use made of them in support of his action in South Africa was not justified."

Unfortunately, though the Committee were able to clear the reputation of Downing Street, they had to bring in a different verdict with regard to two high officials in the service of the Department in South Africa — Mr. Newton, Resident Commissioner in the Bechuanaland Protectorate, and Sir Graham Bower, Imperial Secretary to the High Commissioner at Cape Town. Mr. Newton visited Cape Town at a time when he knew of Mr. Rhodes's intention and of the real object of Dr. Jameson in massing the forces of the Company on the Transvaal border. Yet he appears to have made no disclosure to Sir Hercules Robinson. Though he felt uneasiness at the possible consequences of his reticence, and discussed the question with Mr. Rhodes and Sir Graham Bower, he allowed himself to be persuaded to keep silence, partly because it was "very doubtful whether anything was going to happen," and partly because Mr. Rhodes "led him to believe that the Imperial authorities would not be averse to any movement in Johannesburg." Sir Graham Bower excused himself for making no disclosure to his Chief on the ground that Mr. Rhodes had made the communication to him in confidence, and that he felt bound in honour not to inform the High Commissioner, especially as he "understood that before those troops [Dr. Jameson's] were used, or any action was taken, Mr. Rhodes would himself make some communication to the High Commissioner."

The value of Sir Graham's plea is for the casuists to determine. Most plain men will admit that his position was very awkward. Whether he spoke out or held his tongue he would equally be violating a clear moral law, and he had to choose which he should disregard. Obviously it was no good trying to steer a middle course by

laying pressure on Mr. Rhodes to abandon the project. As for the High Commissioner himself, the state of his health prevented him from giving evidence before the Select Committee, but he sent an absolute denial of any knowledge of the conspiracy. It is in the physical enfeeblement under which he appears to have been labouring at this critical time that we must find the best explanation of his not seeing or not understanding the very things for which it was his duty to be on the look-out. It is true that he may have trusted the Imperial Secretary to be his "eyes and ears." The fact is, that his appointment as High Commissioner in March 1895 had been a mistake. He was already past his days of usefulness. But Mr. Rhodes had strongly urged his claims, and Lord Ripon was properly anxious to be represented at the Cape by an administrator in whom the Dutch felt confidence. It is possible, therefore, that Sir Hercules Robinson's sense of personal obligation to Mr. Rhodes, combined with failing energy, rendered him too unsuspicious an observer of that Statesman's occasionally cryptic methods.

Though Sir Hercules Robinson was absolutely exonerated by the Committee, and though, for a brief period after the Raid, he roused himself to do strenuous and valuable work for the Crown, he cannot be relieved from the censure that attaches to any man, placed in supreme authority, who allows himself to be misled by his agents. Mr. Chamberlain, we have seen, had declined to receive the private communications of Dr. Harris. "I have Sir Hercules Robinson at the Cape," he said—believing, not without reason, that he might rely on his High Commissioner to keep him posted in the latest developments of South African politics. But it says much for the personal influence and reputation of Sir Hercules that even after the Raid, when every English person was more or less suspect to the Boers, he was still able to keep President Krüger's ear, and, in some degree, to guide his policy. In the false position into which the Imperial Government had

been brought by Dr. Jameson it is probable that no other Englishman in South Africa could have rendered such prompt and acceptable service as Sir Hercules Robinson. If he had failed to avert the trouble, he did, at least, succeed in reducing it to manageable proportions. The Boers remembered gratefully that in his previous term he had helped to negotiate the London Convention of 1884, and his unhesitating action, as soon as he was formally notified that Dr. Jameson had crossed the frontier, was taken as proof that the chief representative of the Imperial Government was above the suspicion of complicity.

The general conclusions of the Select Committee were summed up in seven paragraphs:—

“I. Great discontent had, for some time previous to the incursion, existed in Johannesburg, arising from the grievances of the Uitlanders.

“II. Mr. Rhodes occupied a great position in South Africa; he was Prime Minister of the Cape Colony, and, beyond all other persons, should have been careful to abstain from such a course of action as that which he adopted. As Managing Director of the British South Africa Company, as Director of the De Beers Consolidated Mines and the Gold Fields of South Africa, Mr. Rhodes controlled a great combination of interests; he used his position and those interests to promote and assist his policy.

“Whatever justification there might have been for action on the part of the people of Johannesburg, there was none for the conduct of a person in Mr. Rhodes's position, in subsidising, organising, and stimulating an armed insurrection against the Government of the South African Republic, and employing the forces and resources of the Chartered Company to support such a revolution. He seriously embarrassed both the Imperial and Colonial Governments, and his proceedings resulted in the invasion of the territory of a State which was in friendly relations with Her Majesty, in breach of the obligation to respect

the right to Self-Government of the South African Republic under the Conventions between Her Majesty and that State. Although Dr. Jameson 'went in' without Mr. Rhodes's authority, it was always part of the plan that these forces should be used in the Transvaal in support of an insurrection. Nothing could justify such a use of such a force, and Mr. Rhodes's heavy responsibility remains, although Dr. Jameson at the last moment invaded the Transvaal without his direct sanction.

"III. Such a policy once embarked upon inevitably involved Mr. Rhodes in grave breaches of duty to those to whom he owed allegiance. He deceived the High Commissioner representing the Imperial Government, he concealed his views from his colleagues in the Colonial Ministry, and from the Board of the British South Africa Company, and led his subordinates to believe that his plans were approved by his superiors.

"IV. Your Committee have heard the evidence of all the Directors of the British South Africa Company, with the exception of Lord Grey. Of those who were examined, Mr. Beit and Mr. Maguire alone had cognisance of Mr. Rhodes's plans. Mr. Beit played a prominent part in the negotiations with the Reform Union; he contributed large sums of money to the revolutionary movement, and must share full responsibility for the consequences.

"V. There is not the slightest evidence that the late High Commissioner in South Africa, Lord Rosmead, was made acquainted with Mr. Rhodes's plans. The evidence, on the contrary, shows that there was a conspiracy to keep all information on the subject from him. The Committee must, however, express a strong opinion upon the conduct of Sir Graham Bower, who was guilty of a grave dereliction of duty in not communicating to the High Commissioner the information which had come to his knowledge. Mr. Newton failed in his duty in a like manner.

"VI. Neither the Secretary of State for the Colonies nor any of the officials of the Colonial Office received any

information which made them, or should have made them or any of them, aware of the plot during its development.

"VII. Finally, your Committee desire to put on record an absolute and unqualified condemnation of the Raid and of the plans which made it possible. The result caused for the time being grave injury to British influence in South Africa. Public confidence was shaken, race feeling embittered, and serious difficulties were created with neighbouring States."

The Committee consisted of Sir Richard Webster (now Lord Alverstone), Mr. Bigham (Mr. Justice Bigham), Mr. Blake, Mr. Sydney Buxton, Sir Henry Campbell-Bannerman, Mr. Chamberlain, Sir Michael Hicks-Beach, Mr. Cripps, Sir William Hart Dyke, Mr. John Ellis, Sir William Harcourt, Mr. Jackson, Mr. Labouchere, Mr. Wharton, and of Mr. George Wyndham, who, however, did not vote for the Report. Mr. Jackson (now Lord Allerton) was chairman.

Mr. Labouchere presented a separate Report, for which he alone voted. After an exhaustive analysis of the evidence, which gives a lucid, though biassed, account of the conspiracy, the raid, and the Johannesburg rising, he formulated twenty-six elaborate conclusions. Shortly put, his view was that, though the grievances of the Uitlanders had a certain basis, they were greatly exaggerated; that Mr. Rhodes deceived the Johannesburgers by leading them to believe that the High Commissioner was cognisant of his plans; that the object of the conspiracy was a sordid one—that the chief conspirators, from Mr. Rhodes downwards, were strongly influenced by financial considerations of a personal character; and that Mr. Rhodes and Mr. Beit deserved severe punishment. The last three paragraphs of Mr. Labouchere's conclusions should, perhaps, be quoted, because, though unsupported by any other member of the Committee, they show that even Mr. Labouchere did not, on the evidence before the Committee, suggest that Mr. Cham-

berlain had any foreknowledge of the conspiracy:—

“Sir John Willoughby, and other officers of Her Majesty's Army serving under him as Commander of the forces of the Chartered Company, took part in the Raid. For this they have suffered imprisonment, and have been deprived of their commissions. It would appear by the evidence submitted to your Committee, that these gentlemen had grounds for their belief in the statement made to them that the Raid was undertaken with the knowledge and approval of the Imperial authorities. Under these circumstances, your Committee is of opinion that their punishment has exceeded their fault, and that it would be only consistent with justice that their commissions, which have been taken from them, should be restored to them. .

“This will be all the more proper, if Mr. Rhodes and Mr. Beit, who were the originators, the financiers, and the most active promoters of the Jameson plan, are to escape all criminal proceedings. Your Committee, however, is of opinion that they merit severe punishment. Mr. Rhodes is a Privy Councillor, he was Cape Premier, and he was the autocrat of Rhodesia, when the conspiracy that your Committee has investigated was in preparation, and when it was sought to carry it out. He deceived his Sovereign, the Secretary of State for the Colonies, the High Commissioner of South Africa, the Governor of the Cape Colony, his colleagues in the Cape Cabinet, the board of the Chartered Company, and the very persons whom he used as his instruments in his nefarious designs; and he abused the high positions which he held by engaging in a conspiracy, in the success of which his own pecuniary interests were largely involved; thus inflicting a slur on the hitherto unblemished honour of our public men at home and in our Colonies. Mr. Beit is a German subject. In conjunction with Mr. Rhodes, he fomented a revolution in a State in amity with us, and promoted an invasion of that State from British territory. These two men, the one a British Statesman, the other a financier of German nationality, disgraced

THE PARLIAMENTARY INQUIRY INTO THE JAMESON RAID, 1897

The armed incursion into the territories of the South African Republic took place in December, 1895, under Dr. Leander Starr Jameson. It was intended to assist a revolutionary rising in Johannesburg, but owing to a misunderstanding or disagreement the internal movement did not take place, and the raiders were easily defeated. The Transvaal government sent Dr. Jameson to England to stand his trial. Both the Cape Government and the British Government made a Parliamentary inquiry into the raid. The members of the British Committee of Inquiry were William Lawies Jackson (Lord Allerton), chairman, Sir Richard Everard Webster (Lord Alverstone), Sir John Charles Bigham, Joseph Chamberlain, Sir William Harcourt, Sir Henry Campbell-Bannerman, Sydney Charles Buxton, Hon. Edward Blake, Henry Labouchere, Sir Michael Hicks-Beach, Charles Alfred Cripps, Sir William Hart Dyke, John Edward Ellis, John Lloyd Wharton, and George Wyndham. The committee was appointed late in 1896 and re-appointed in 1897. The plate shows Mr. Rhodes under examination.



From a Drawing by S. BEGG.

THE PARLIAMENTARY INQUIRY INTO THE JAMESON RAID, 1897

the good name of England, which it ought to be the object of all Englishmen to maintain pure and undefiled. One of the witnesses compared the Jameson plan to the expedition of William of Orange when he landed in England. Another witness compared it to the recent uprising of the Cretans against the sovereignty of the Sultan of Turkey in their island. With these it had no analogy. It was one of the most disgraceful episodes in our country's history, and your Committee emphatically declares that it deserves the severest reprobation.

"Whilst your Committee is of opinion that the evidence placed before it in no way shows that the Colonial Office, when ceding to the Chartered Company a strip of the Bechuanaland Protectorate abutting on the Transvaal frontier, and handing over to the Company the police of the Bechuanaland Crown Colony, on that Colony being made over to the Cape Colony, was aware that Mr. Rhodes contemplated under any contingencies using this strip and these police to invade the Transvaal, in order to afford aid to the Johannesburgers in any revolutionary outbreak, it regrets that the alleged complicity of the Colonial Office has not been probed to the bottom, because the slightest appearance of any indisposition to do this by your Committee may lead some persons erroneously to suppose that there may be some truth in the statements of witnesses connected with the Jameson plan, that the secret aims of Mr. Rhodes were more or less clearly revealed to Mr. Chamberlain and to Mr. Fairfield, and that Mr. Pope, Q.C., when addressing your Committee as counsel for Mr. Rhodes, was justified in suggesting in the following passage of his speech, that, for State reasons, either Mr. Rhodes had rightly kept back information in regard to this alleged complicity, or that your Committee had rightly not wished to obtain it: 'He dared say that the instincts of political sport might lead one to desire that somewhat mysterious scent should be followed up, and something unearthed which had not reached

the Committee. He did not know whether such things existed or not; but supposing the policy were pursued, and they were to hunt where they could, what would happen? Suppose it turned out that the suspicions were true? Would it tend to the interests of Her Majesty's services or to the reputation of the country? There might be something that was even beyond Party spirit. There might be a desire to see the services of his country maintained with honour and integrity, and there might be a desire that the reputation of this country should not suffer by idle and unnecessary calumnies being circulated against any one.'"

The Report of the Committee was published on 13th July 1897. On the 15th, Mr. Balfour was asked to set apart a day for discussing it. He replied that he saw no useful purpose to be served by Debate; and as the official Opposition offered no protest it was inferred that an understanding on the subject had been reached between the two Front Benches. The Radicals, however, were not to be thwarted in their purpose. On the 16th, Sir Wilfrid Lawson asked whether the Government meant to take any action on the Report. Mr. Balfour replied that the Government were considering the future administration of Rhodesia. Then Mr. Labouchere raised a question of Privilege in connection with Mr. Hawksley's refusal to produce the telegrams to the Committee, and wished to move that he be brought up to the Bar of the House. The Speaker, however, ruled that it was not a case of Privilege, inasmuch as the Committee had not made a Special Report with a view to action being taken by the House. When the Colonial Office vote came up for discussion on the 19th, a Unionist member, who has since joined the Administration (Mr. Arnold-Forster), took occasion to condemn the conduct of Mr. Rhodes and the Chartered Company. Mr. Balfour, in his reply, indignantly denied that there was "a conspiracy of silence" for the purpose of burking discussion on the Report, and

sharply criticised Mr. Arnold-Forster for a speech which he regarded as full of insinuations, innuendoes, and half-developed accusations. A day would, he said, certainly have been given had a demand been made by the front Opposition bench or by any considerable section of the House. Thereupon, Sir William Harcourt—who seems to have thought it imprudent to allow the Radical wing of his party to pursue any longer an independent course that might lead to an open rupture in his Party—suggested that Mr. Balfour should agree to a discussion. On 26th July, accordingly, Mr. Philip Stanhope brought forward the following Resolution:—

“That the House regrets the inconclusive action and Report of the Select Committee in British South Africa, and especially the failure of that Committee to recommend specific steps with regard to Mr. Rhodes, and to immediately report to the House the refusal of Mr. Hawksley to obey the order of the Committee to produce copies of certain telegrams which he admitted were in his possession, and which he had already submitted to the Secretary of State for the Colonies at his request in July 1896; that Mr. Hawksley be ordered to attend at the Bar of the House upon a day appointed for the purpose, and then and there produce the aforesaid telegrams.”

This invitation to Sir William Harcourt and Sir Henry Campbell-Bannerman to condemn a Report of which they were part authors and co-signatories produced a piquant situation. Mr. Stanhope's speech was directed against what he regarded as a compact of silence in influential quarters. Mr. Labouchere delivered a strong attack upon Mr. Rhodes and the Colonial Office, though, as appears in his Draft Report, he had to acquit Mr. Chamberlain of foreknowledge of the Raid. Sir M. Hicks-Beach made a vigorous reply to Mr. Labouchere, offered as good a defence of Mr. Rhodes as the circumstances permitted, and resented the blowing of gigantic bubbles on the subject of the alleged complicity of the Colonial Office. Sir

William Harcourt followed the lead of the Chancellor of the Exchequer, defending the findings of the Committee on all points, upholding Mr. Chamberlain's denial of foreknowledge, and, generally, repudiating the terms of the Resolution. The Radicals—who regarded this as evidence that the Front Bench Liberals intended to assist the Ministry in screening Mr. Rhodes and the Colonial Office from further investigation—then offered to eliminate from the Resolution the proposed censure on the Committee, and confine it to ordering the attendance of Mr. Hawksley at the Bar.

Mr. Balfour, however, insisted that the House should decide upon the Resolution as it stood. Sir H. Campbell-Bannerman minimised the importance of the missing telegrams, and then Mr. Chamberlain made the speech of the night. He was in excellent debating form, rejoicing in the opportunity to deal with the rumours and insinuations with which he had been assailed during the preceding eighteen months. His answer to them was, he contended, to be found in his action as soon as the Raid became known. He dismissed as ridiculous the attempt to delude the public into the belief that there was some damnatory secret in the missing telegrams. They had been sent to him confidentially; he had read them, and he had returned them, taking good care to say that, so far as he was concerned, he had no objection whatever to their being published. Coming to the question of Mr. Rhodes's conduct, he asserted that, while the fault of Mr. Rhodes was about as great a fault as a politician or Statesman could commit, there existed nothing which affected his personal character as a man of honour. This bold and unexpected declaration raised a strong protest among the Radicals, in which some of the Unionists joined, but the House was in no mood for further discussion. On a Division being taken the Resolution was defeated by 304 votes to 77.

The certificate of character, as it was called, which Mr. Chamberlain thus gave to Mr. Rhodes was not, perhaps,

very happily worded, since it proved liable to misconstruction. Yet in view of the circumstances under which the expression was used it was no more than was due to Mr. Rhodes. It must be remembered that at this time one of the most frequent imputations against him was that his political plot against the South African Republic had been formed for the purpose of putting money into the pockets of himself and his commercial associates. It was alleged, quite plainly—as, *e.g.*, by Mr. Labouchere in his Draft Report—that Mr. Rhodes had abused his position as Premier of Cape Colony to promote the interest of the Chartered Company and other speculative undertakings in which he was concerned—that his crime was, in fact, a selfish and sordid one. This was the charge that Mr. Chamberlain repudiated, though he condemned both the object which Mr. Rhodes had aimed at and the curiously tortuous methods by which he sought to attain it.

How far it is logically possible, or morally defensible, to exclude ordinary ethical rules from the estimate of a man's public conduct is a point on which the most philosophical historians are by no means in accord. The prevailing tendency is towards judgment by results. The men who succeed—Sulla, Cæsar, Charlemagne, Bismarck—are labelled white, and their faults are explained away. Those who fail—the first and the third Napoleon—are marked black. Those whose triumph is incomplete or posthumous—Parnell and Rhodes—go down piebald to posterity, and their admirers must be content if strict justice is done to their careers. But it was justice, and no more, that Mr. Rhodes should be vindicated in public from a sin of which he had not been guilty, and it was appropriate that the acquittal should be pronounced by the Statesman who condemned his other faults. That Mr. Chamberlain used such strong language in exculpation was due, in part, to the virulence of the accusations which he repelled, and partly to the vivid colours in which he always presents the impression or feeling of the moment.

It was not against him, of course—perhaps he knew it would not. But it is not in his nature to avoid attack, so confident is he in his power of giving a good account of his adversaries. It is not so easy to say why he and his colleagues on the Committee exposed themselves to needless and very damaging misrepresentations in the matter of the “missing telegrams.” When in the end some of them were published in a Belgian newspaper they were seen to contain nothing in the least degree compromising either to the Colonial Secretary or his assistants in Downing Street. What they proved was, not that the Imperial Government had been privy to the conspiracy, but that Mr. Rhodes and some of those who were working with him wished it to be given out—confidentially—to their subordinate agents that this was the case. *Connu!* As much as this was put in record in the Committee’s Report. But if the text of the documents be examined (*see* Appendix V.) it will be equally clear that the agents of the plot in England represented—and perhaps believed—that no difficulty would be made by the Colonial Office, and that they had no kind of warrant for the suggestion, whether they made it recklessly or in good faith. To use a man’s statement against himself is an accepted practice in English law, but to treat as evidence the veiled and uncorroborated suggestions of somebody else, who has an obvious motive for making the imputation, is absolutely unheard-of. There are, it is true—or were—other “missing telegrams” besides those which were eventually published through Dr. Leyds. What has become of them? If there had been anything at all damning in them they would have been produced long ago—unless “the mice have eaten them!”

Why was it, then, that the Committee, almost unanimously, gave up their demand for the production of documents to which so much importance was attached? The “missing telegrams” had nothing to do with it. The truth was that, rightly or wrongly, the Committee,

at a certain point, became convinced that the inquiry was going too far. They must not drive Mr. Rhodes and his associates into a corner from which they could only escape by a full statement of their defence. The Committee, however, were not influenced by any fear of the Imperial Government or the Colonial Office being implicated in possible revelations. Sir William Harcourt and Sir Henry Campbell-Bannerman are not ungenerous politicians, but they could not, humanly, be expected to throw away the chance of discrediting a Government and disgracing a Minister whose principles they honestly detested. Still less would they have displayed this singular magnanimity—which, on public grounds, would have been highly culpable—when they were well aware that by limiting the inquiry they were offending many of their most active supporters, and damaging their personal influence in the Party. Their motives were very different.

Though Sir William Harcourt and Sir Henry Campbell-Bannerman are not men who would throw away a legitimate advantage, the severest critic of some of their public speeches will cheerfully admit that, in their hearts, and according to their views of public policy, they are as patriotic as any Unionist or Imperialist in Parliament. They agreed to cut the investigation short, because they accepted Mr. Rhodes's statement that he had been "greatly influenced" by his belief that the policy of the Transvaal Government was to "introduce the influence of another Foreign Power into the already complicated system of South Africa, and thereby render more difficult in the future the closer union of the different States." That was, in fact, the key of the whole position—the long intrigue between Boers and Germans. It is no secret now that Mr. Krüger and his Hollander advisers hoped to obtain the active assistance of Germany in driving the British out of South Africa, and that Germany had held out expectations which were only prevented from being carried into effect by the tact and prudence

of the British Government and the wholesome respect inspired by the British Navy. All this Mr. Rhodes knew, and he was quite capable, if pressed too hard, of blurting out the naked truth.

Nothing could have been more inconvenient for us than to have these foreign intrigues exposed before an authoritative English tribunal. To fasten a public charge of treachery on a "friendly" Government is to stir up angry feeling between the two peoples even if it does not lead to a declaration of War. In the middle of the year 1897 our hands were still full of unsettled questions. Lord Salisbury's patient Diplomacy had not yet succeeded in clearing the ground and isolating the Transvaal difficulty, so that when the time should come we might deal finally and effectively with the trouble that was slowly but quite surely coming to a head in South Africa.

The charge of complicity in the Raid—though revived against Mr. Chamberlain after the publication of the "missing telegrams" in January 1900—has been dropped by those who were most strenuous in bringing it forward. In its place, we are told that Mr. Chamberlain, Mr. Rhodes, and Dr. Jameson calculated "that a very little extraneous support would enable the Liberal Party in the Transvaal, aided by the Uitlanders, to overturn the Government of Paul Krüger, when the intervention of the High Commissioner would be invoked, and a plebiscite would be taken which would transfer the control of the Transvaal Republic from the hands of the Tories of the Krüger school to those of the Liberals, who were quite prepared to march with the times and readjust the institutions of the Transvaal to the necessities of the Modern State. Everything miscarried owing to the unfortunate invasion of Dr. Jameson, but if that had never taken place, there was a good prospect of a beneficent Revolution being carried through in the Transvaal, which would have had the enormous advantage of placing the control of the South African Republic in the hands of the majority of

the adult male population of the country." The plan failed, we are told, because Mr. Chamberlain forced the Union Jack upon the promoters of the intended Revolution, and because Dr. Jameson's advance was precipitated by "messages from people in communication with the Colonial Office."

The drawback to this theory is that all the evidence in support of it would also support the charge of complicity in the Raid—and this has been given up. The negotiations with Dr. Harris, the interviews with a lady journalist, the exchange of telegrams between these agents and their principal in South Africa—these are the only proved facts. But we are told "that in the engineering of the Revolutionary Campaign the introduction of the Flag was the one fatal mistake." This, it is said, was due to pressure brought to bear on Mr. Rhodes—brought to bear on him by his emissaries, who had been in communication with Mr. Chamberlain! Therefore it was Mr. Chamberlain who applied the pressure! But why? What would be gained by mixing up the British authorities in a dangerous and shady plot when the Krüger régime might as easily be upset by a movement under the Transvaal Flag? With what sort of face could the British Government have intervened if they were known to have taken part in a conspiracy against the legitimate authority at Pretoria? If they had acknowledged their complicity, their moral case—their justification before public opinion in this country and abroad—would be gone. If, on the other hand, they disowned their confederates, and repudiated the employment of the Union Jack, what would be the good of having secretly sanctioned its use? On either alternative the British Government would be placed at a gratuitous disadvantage. Mr. Chamberlain is not the man to play pitch-and-toss on the principle of "heads you win and tails I lose."

The fact was—and the Correspondence produced before the Committee suggests it—that the use of the British

Flag was recommended by Mr. Rhodes's agents. On 26th November, Dr. Harris telegraphed as follows: "Great danger Phillips Leonard can or may be doing business without assistance British South African Company and also independently British flag it would have serious effect your position here. I say this very confidential." This is sufficiently explicit. The conspirators acting with Mr. Rhodes did not trust the conspirators in Johannesburg. This was subsequently shown by the recriminations which broke out after the failure of the Raid, but which were so promptly and discreetly cut short. Already, as we see, Dr. Harris had his doubts of the Reform Leaders, many of whom had other interests than those of the Chartered Company, and some of whom were either not Englishmen at all or Englishmen of that cosmopolitan financial order which has no special affection for the British or any other Flag. It was to force their hand that Dr. Harris so strongly recommended the use of the Union Jack, and added that this expedient might influence English opinion in favour of Mr. Rhodes. A plot in the interests of the Chartered Company would not specially commend itself to patriotic sentiment. But a bold stroke for the British Flag—at worst, it would be a noble error.

It was shrewd advice, but we cannot say what effect it had on Mr. Rhodes's mind. He may have preferred to believe in the Reform Party at Johannesburg, with some of whom he was intimately associated, and he may not have thought it worth while to arrange for conciliating public opinion at home. He was, we know, somewhat contemptuous of the "unctuous rectitude" of the British public. However that may have been, it was considered advisable to strengthen the case for using the British Flag. Accordingly, Miss Flora Shaw (Lady Lugard) telegraphed on 17th December, that she had recently had an interview with the Secretary of the Transvaal, who had just left for the Hague, Paris, and Berlin, and she feared that he was "in negotiation with these parties." This would appeal

to what Mr. Rhodes admitted was his governing motive—his apprehension that the influence of “another Foreign Power” might be introduced into South African politics. This danger he attempted to forestall by insisting on the British Flag. Hence the misunderstanding between the two sets of conspirators, the Rhodes Party and the Raid Party, and hence one of the many causes of the failure of the Jameson Raid.

The last sentences of Miss Shaw's telegram of 17th December, that “Mr. Chamberlain was sound in the case of interference by European Powers,” and that she had special reasons for believing that he “wishes you must do it immediately,” were, the one a natural inference from Mr. Chamberlain's known characteristics, and the other a diplomatic incentive to the course which she was recommending.

There were, then, plenty of strong reasons why Mr. Rhodes should take the course which he actually followed—none why Mr. Chamberlain should lend himself to such an adventure. His attempt to recall Dr. Jameson, his condemnation of the Raid, and his concurrence in the punishment of the chief agents—these official actions might, conceivably, have been acquiesced in by confederates who had to pay the penalty for their blunder. It might have been part of the arrangement that the chief conspirator should not be unmasked. But even that fantastic theory would not explain how he should be permitted, not merely to protect himself, but to initiate and carry out the strong measures which were afterwards adopted with regard to the Chartered Company.

We may take it, then, as established, by the overwhelming balance of probabilities on one side, and by the complete absence of direct evidence on the other, that Mr. Chamberlain was privy neither to the Jameson Raid nor to the “Jameson Plan.” This inference is borne out by the fact that on his first assumption of office he was animated by friendly feelings towards Mr. Krüger. He hoped and

believed that with proper handling the hitherto intractable President might be brought to a reasonable frame of mind. The trouble that was brewing in the Transvaal was not made by Mr. Chamberlain. His original purpose was to calm the existing irritation, and reach an equitable compromise. How bad the state of affairs was at Midsummer 1895 may be seen from a brief retrospect.

The contest for the Presidency of the South African Republic, in 1893, had turned chiefly on the policy to be followed with regard to the foreign settlers in the Rand; and the election of Mr. Krüger by a narrow majority (the figures being keenly challenged by General Joubert's supporters), marked the success of the anti-British Party. The "commandeering" of Englishmen for service in the Boer Militia led to the intervention of the High Commissioner, Sir Henry (the late Lord) Loch. The law enforcing Military service was modified by the Volksraad, but on his paying a visit to the President at Pretoria, in 1894, "the English behaved in the most disorderly fashion." "As soon as the Governor and I were seated in the carriage," so the ex-President records in his *Memoirs*, "the Jingoës took out the horses and drew us to the Transvaal Hotel, singing the usual English satirical ditties as they did so. One of the ringleaders jumped on the box waving a great Union Jack. On arriving in front of the Transvaal Hotel they stopped the carriage and read an Address to Sir Henry Loch. A number of Transvaal Burghers, seeing what was going on, drew the carriage, on which I had remained seated alone, to the Government Buildings. I need not say that the incident made a very bad impression on the minds of the Burghers, and added new fuel to the already existing dislike of the English." The Volksraad asked the Government why so offensive an exhibition had not been prevented, and in order that such insults should not be repeated a number of Burghers assembled in the town.

But the National Union, we are informed on the same

authority, thought it would be easier to provoke a riot in Johannesburg, and invited Sir Henry to visit them there. This proposal, at Mr. Krüger's request, he declined. "His whole public attitude was, in fact, perfectly correct. But how did he act in secret?" The Address of the National Union was sent to Johannesburg, and it contained "the most insulting accusations" against the Transvaal authorities. "In public, Sir Henry advised the Deputation to carry their complaints quietly before the Volksraad. In secret, he asked them how many rifles and how much ammunition they had in Johannesburg, and how long they could hold out against the Government until he was able to come to their assistance with troops from outside."

How typically English, the ex-President exclaims, was this conduct on the part of a high-placed British official. It was characteristic of the entire English policy in South Africa! His account of this affair is substantially accurate, except, no doubt, in the gloss he puts upon the High Commissioner's confidential advice to the Reform Leaders, which, as Lord Loch explained subsequently in the House of Lords, was intended to make them realise that their military position was quite untenable. This, apparently, was not the impression left on the mind of Mr. Lionel Phillips. But there is no need here to discuss the merits or demerits of the Reform Leaders or the real significance of Lord Loch's inquiry. The only purpose of this reference to the affair is to show that the quarrel between British and Boers was one of old standing and gradually increasing bitterness. Whether it might have been mitigated if the control of Transvaal affairs had fallen into the hands of General Joubert, it is impossible to say. But the grievances of the Uitlanders, practical and sentimental, had engaged the attention of the Colonial Office long before the Jameson Raid. They were not discovered and exploited by Mr. Chamberlain.

Redress was demanded by Lord Ripon in language quite as strong as Mr. Chamberlain afterwards employed,

and by the irony of politics it happened that the least aggressive of Liberal Statesmen gave deeper offence than any of his predecessors to Mr. Krüger. The cession of Swaziland to the South African Republic, resisted by the natives, had been carried out in deference to the general opinion of the Party then in power here, and, it should be added, in the hope of showing our goodwill to the Boers. "We had hardly time to breathe," President Krüger remarks, "after these difficulties about the native territories when England suddenly annexed Sambaaland and Umbigesaland." It had always been intended, he explains, to claim these tracts as soon as the Swaziland question had been settled. "The object of this proceeding," he goes on, "can only have been to vex and harass the Republic; for by acting as she did, England cut off the Transvaal's last outlet to the sea, an outlet which England did not require. It goes without saying that the Republic protested against the annexation; but England did not trouble herself about it."

This little masterpiece of Imperial policy, so quietly executed by the Colonial Office, practically wiped out the worst effects of the Swaziland Convention. It was never forgiven by the Boers, though at the time it attracted little notice at home. By keeping the Boers away from the sea, and cutting them off from foreign reinforcements, it saved South Africa for the British, or, at least, saved us from having to employ a large naval force in watching the enemy's coast. It is, however, not necessary to quote further passages from Mr. Krüger's book, or to dwell at length on the bad feeling that prevailed between 1893 and 1895. It is no secret that matters had reached so serious a pass, that not only was the possibility of war considered by Lord Rosebery's Cabinet, but a distinguished General was invited to attend a special meeting of Ministers, and explain his views as to the force that would be required, and the strategy that should be followed, in attempting the reconquest of the Transvaal.

The policy, then, that Mr. Chamberlain pursued with regard to the Transvaal was not a new departure invented by himself. He simply followed the lines laid down by his predecessor, though, of course, he threw fresh spirit and energy into the never-ending never-advancing negotiations. His object and firm intention was to obtain a tolerable status for the Uitlanders in the Transvaal—hoping to succeed where Lord Ripon had failed, and determined not to be put off with Diplomatic excuses and sham concessions. So far as he had yet shaped in his mind a further policy—he had only been in office a few weeks when the crisis began—it was to work gradually for a Federation of all South African States, under the British Flag, but each to retain absolute Independence in all internal matters—a Federation that would, by common agreement, bring the Customs and Railways into a single system, but lead to no other change in existing institutions, whether British or Dutch. Even this ideal he was in no hurry to realise, and would have been well content to leave the development of his scheme to the natural operation of political and commercial influences, if only President Krüger would deal in a conciliatory spirit with the more urgent claims of the British in the Transvaal.

Almost the first official act of the new Colonial Secretary in regard to South Africa was to congratulate the President of the Transvaal upon the opening of the railway from Pretoria to Delagoa Bay—which, Mr. Krüger tells us, had been one of his fondest wishes—and to express, on behalf of Her Majesty's Government, the most friendly feelings towards the Government and people of the South African Republic. This was no mere verbal courtesy, but the statement of a policy and the declaration of a hope for the future. Unfortunately, Mr. Krüger acted as though he did not care a pin's point whether friendly feelings continued or not. In order to develop the traffic on the Eastern line, he entered upon a war of rates with the Cape line to Pretoria, imposing prohibitory tariffs upon the fifty-

mile section from the Vaal River to Johannesburg. The Cape Government was thus checked in developing the carrying trade to the mines, but, as the distance from the Vaal River drifts by road was only about thirty miles, goods were unloaded on the Orange side of the river, and thence forwarded across the Transvaal by ox-waggon. Mr. Krüger, thereupon (August 1895), issued a Proclamation closing the Drifts—a clear breach of the London Convention which gave all persons, other than natives, full liberty to enter and carry on commerce within the Republic.

The Proclamation brought about a crisis which Mr. Chamberlain handled with equal vigour and caution. First he assured himself of support from the Cape Government. He was willing to remonstrate with Mr. Krüger, provided they would not draw back—and remonstrance might mean War. If Her Majesty's Government insisted on the withdrawal of the Proclamation, they could not drop their demand "until they have obtained a compliance . . . even if it should be necessary to undertake an Expedition." Hence he required a "most explicit undertaking in writing" that the Cape Government would bear half the gross cost, furnish a fair contingent of the fighting force, and give the free use of the railways and rolling stock for military purposes. The Cape Government accepted these terms, which were kept secret from the public at the time, and Mr. Chamberlain, thereupon, launched an Ultimatum, describing the closing of the Drifts as an "unfriendly action" which called for the "gravest remonstrances," and asking for the Proclamation to be cancelled.

Mr. Krüger considered that the time was not ripe for fighting. Mr. Rhodes, then Premier of Cape Colony, had the Bond Party with him at the Cape; and the Dutch there were as deeply interested as the British in the question of free commercial access to the Transvaal. To provoke a quarrel on this issue would have alienated the

Afrikaner population by whose aid, as events were to prove, Mr. Krüger hoped to establish Dutch supremacy throughout South Africa. He, therefore, gave way, and the Drifts were re-opened on 5th November. Not until two years later was it known outside official circles how near we had been to War—how resolutely Mr. Chamberlain, within three months of taking charge of Colonial affairs, had grasped the South African nettle.

Mr. Krüger's failure entailed disastrous consequences on the Uitlanders, upon whom his hand was now laid with ever-increasing heaviness. The Raid and its immediate consequences had more or less hampered Mr. Chamberlain's policy, though he did his best to repair the mischief. No sooner did he learn that Dr. Jameson had crossed the border than, without waiting to consult his colleagues, he sent peremptory telegrams to Sir Hercules Robinson, Mr. Rhodes, and Dr. Jameson, ordering the expedition to turn back. This was ignored. The surrender at Dorn-koop had been conditional upon the lives of the Raiders being spared, but, as all the prisoners were in gaol, this part of the arrangement was concealed by Mr. Krüger, who—cleverly enough—used it to secure the submission of Johannesburg, whose inhabitants were given to understand that the lives of Dr. Jameson and his associates depended upon the unconditional capitulation of the town.

Sir Hercules Robinson arrived at Pretoria on 4th January 1896, and was instructed by Mr. Chamberlain to secure the release of the Raiders on the pledge that the leaders would be brought to trial in England. Mr. Krüger played with this question, insisting that all the Raiders should be tried, and not the officers alone, and threatening, if this demand were not complied with, that he would have the whole body tried in Pretoria. Mr. Chamberlain, however, pressed his claim, and the prisoners were handed over to Great Britain. Thereupon, Mr. Chamberlain telegraphed to Mr. Krüger: "This act will redound to the credit of your Honour, and will con-

duce to the peace of South Africa, and to the harmonious co-operation of the British and Dutch races, which is necessary for its future development and prosperity."

But much blood had to be spilt before such co-operation became even tentatively possible. Mr. Krüger was determined to use the Raid as a means by which to secure the abrogation of the London Convention; and the famous telegram from the German Emperor naturally led him to believe, the British flying squadron notwithstanding, that if War were to ensue Germany would intervene to prevent the extinction of the Republic. Mr. Chamberlain was equally determined to obtain a settlement upon equitable and honourable lines. In this course, however, he was not seconded by Sir Hercules Robinson. When, on 7th January, he suggested to Sir Hercules that he should send immediately "a large force, including cavalry and artillery, to the Cape to provide for all eventualities," the High Commissioner objected. He thought President Krüger had behaved very well, public excitement was now allayed, and the despatch of troops would but revive it. Nor was this the only point upon which he thwarted the Colonial Secretary. He took no effective steps to bring Mr. Krüger to reason upon the fundamental grievance of which the Raid and the Johannesburg Insurrection had been but the outward symptoms. At any rate, he contented himself with accepting Mr. Krüger's assurances.

Meanwhile Mr. Chamberlain was bombarding him with telegrams urging him to obtain radical reforms. Sir Hercules, it has been explained, was in indifferent health, and on that account alone, unfit to grapple with so strong a man as Mr. Krüger. He left Pretoria as soon as he could, satisfied apparently with the transference of the Raiders to the British authorities. In vain Mr. Chamberlain inquired what was being done on the larger political matters which were at the root of the trouble. He did not agree with Sir Hercules that the time was inopportune to thresh them out, nor did he see much prac-

tical value in the President's general assurances. "The people of Johannesburg," he telegraphed, "laid down their arms in the belief that reasonable concessions would be arranged by your intervention; and until these are granted, or are definitely promised to you by the President, the root causes of the recent troubles will remain. The President has again and again promised reform, and especially on 30th December last, when he promised reforms in education and the franchise; and grave dissatisfaction will be excited if you leave Pretoria without a clear understanding on these points.

"Her Majesty's Government invite President Krüger, in the interests of the South African Republic and of Peace, to make a clear declaration on these matters. . . . It will be your duty to use firm language, and to tell the President that neglect to meet the admitted grievances of the Uitlanders, by giving a definite promise to propose reasonable concessions, will have a disastrous effect upon the prospects of a lasting and satisfactory settlement."

Sir Hercules put that instruction in his pocket, and while on his way back to Cape Town acquainted Mr. Chamberlain with his excuses for disregarding it. The time was not opportune to acquaint the President with its terms. The leading men in Johannesburg were in gaol on a charge of treason; there were rumours of a long-standing and widespread conspiracy to overturn the President's Government and incorporate the Transvaal in the territory of the British South Africa Company; these stories would be tested in the Boer Courts; "and, meanwhile, to urge claims for extended political privileges for the very men so charged would be ineffectual and impolitic." Mr. Chamberlain dealt with these excuses as tenderly as regard for Sir Hercules Robinson's distinguished past services and present difficulties permitted, and instructed him to resume discussions with the President. But with an unwilling agent he found himself powerless. Pending the trials of the Johannesburg Reformers, Sir Hercules,

though not directly refusing to act, showed that his heart was no longer in his task. He would act later, he said, but "the present moment is most inopportune, as the strongest feeling of irritation and indignation against the Uitlanders exists. . . . Any attempt to dictate in regard to the internal affairs of the South African Republic at this moment would be resisted by all Parties in South Africa, and would do great harm."

For the time Mr. Chamberlain was checked, not beaten. Throughout the crisis he was equally rapid in action, and cool in deliberation. The opinion of foreign countries troubled him not at all. At a banquet given to the new Governor of Queensland on 21st January, he minimised the importance of recent "sensational occurrences" which would leave little trace behind them. Taking up the phrase "splendid isolation," he declared that the attitude of Great Britain had attracted instead of repelling the loyalty of the Great Colonies, whatever offence it might have given to the Continental Powers. On the 24th, at Birmingham, he devoted the greater part of a speech to his constituents to other topics than South Africa, though he expressed his hope that matters were settling down in the Transvaal, and intimated that the just demands of the Uitlanders would not be forgotten. Their discontent could be removed, he said, without danger to the Independence of the Republic. But it was an anomaly which could not endure that the majority in the population, the contributors of nine-tenths of the Revenue, should have no voice in the government of the State.

On 4th February 1896, Mr. Rhodes arrived in London to carry out his intention of "facing the music." He had one interview with Mr. Chamberlain at the Colonial Office, and on the 9th sailed for South Africa. His abrupt departure was accepted as a clear intimation that the Imperial Government did not require, and would not accept, his advice or assistance, and intended to deal in

its own manner with the political and military privileges of the Chartered Company.

On 7th February, the eve of the meeting of Parliament, Mr. Chamberlain published in the *London Gazette* a Despatch to Mr. Krüger—before it could have reached Pretoria. In this document he disposed of the suspicions that the British Government had any foreknowledge of the conspiracy and the Raid, and made it clear that he had been misled by the Chartered Company into granting the Bechuanaland strip. Drawing a distinction between the mass of Johannesburgers and the few then in Boer prisons awaiting trial for high treason, he defined the relations of the Boer Republic to the Suzerain Power under the Conventions, recapitulated the grievances of the Uitlanders, and suggested for a settlement that the President should give a modified local autonomy to the Rand, with powers of legislation and taxation subject to the President's Veto and to the payment of an annual tribute to the Republic; and he concluded by saying he would be glad to have an opportunity of discussing the subject with Mr. Krüger "if it suited his convenience, and if he were agreeable to come to this country for the purpose."

The "New Diplomacy"—the unconventionality of publishing a Despatch in London before it could reach the person to whom it was addressed—displeased Mr. Krüger, who loftily rebuked Mr. Chamberlain for his disregard of etiquette. But he inquired whether, if he should visit England, the question of Article 4 of the Convention—the Article reserving to Great Britain the control of the Foreign relations of the Republic—would be included in the topics for discussion. On being firmly but politely told that it would not, he found a variety of reasons for staying in Pretoria and declining to discuss that or any other question in London. Mr. Chamberlain exhausted the arts of solicitude for the personal health and welfare of the President and Mrs. Krüger (who was

ailing at the time), but the stolid old Dutchman was not to be moved. Astute Diplomatist as he was, he affected an air of moderation, and appointed a Commission to inquire into the condition of the mining industry. Mr. Chamberlain could do nothing but impress on him the wisdom of taking measures to avert any renewal of the late troubles. Mr. Krüger, however, was unwilling to accept advice from the Colonial Office, which he firmly believed to have been in complicity with Mr. Rhodes and the Reformers, and naturally regarded as a tainted source.

In these circumstances Mr. Chamberlain bided his time, replacing Sir Jacobus de Wet, who had not been successful as British Resident at Pretoria, with an experienced Diplomatist, Mr. (now Sir) Conyngham Greene. Sir Hercules Robinson was not destined long to remain in South Africa as a passive obstacle to Mr. Chamberlain's policy of continuous, though pacific, pressure upon Mr. Krüger. His health unhappily grew worse, and at the close of 1896 he came home. Mr. Chamberlain found in Sir Alfred Milner a younger and stronger man, who was destined as High Commissioner to discharge successfully responsibilities which had outgrown the strength and capacity of his predecessor.

Every month the situation became more serious. An offensive and defensive alliance was concluded between the South African Republic and the Orange Free State, and within the Transvaal money was being lavishly spent on armaments and munitions. Whether the President wanted War or did not, it must be admitted that he went the right way to work to pick a quarrel with the Suzerain Power. He passed an Aliens Bill, which was a distinct breach of the Conventions, inasmuch as it restricted the right of free entry and residence of British subjects, and he boldly contended that the Republic had the same power of exclusion as any other State. He showed his contempt for the Conventions by neglecting to inform

the Imperial Government of his Treaty negotiations with Foreign Powers, and he presented an absurd bill for damages, on account of the Raid, which was in itself a sufficient revelation of his provocative temper. He demanded £667,938, 3s. 3d. for "material damages," and £1,000,000 for the "intellectual and moral damages," which the Republic was supposed to have suffered. Even Lord Rosmead (Sir Hercules Robinson) was astounded at His Honour's effrontery. Mr. Chamberlain dealt coolly with the claim, remarking that he did not feel justified in presenting the demand for a million to the British South Africa Company (which, by the way, had been divested, immediately after the Raid, of its control of any military force), and asking for full particulars as to the items for specific damage.

In an earlier Despatch he had protested against the Aliens Law of 1896 as a breach of the Conventions, and for nearly three years conducted an epistolary duel with Mr. Krüger, who found most able dialecticians in Mr. T. W. Reitz and Dr. Leyds. It will be sufficient to give an outline of the Diplomatic controversy. It should be noted that the Boer representatives professed scrupulous respect for the Conventions, and that Mr. Chamberlain, on his side, was most careful, during 1897 and 1898, to ask for nothing which he was not entitled to demand under those Instruments.

The interpretation given to the clauses by the Boer argument was so vague as to make them practically inoperative, while Mr. Chamberlain insisted upon a reading that would ensure real protection to British subjects and their interests. The Boer Diplomats made it plain that they would not accept a compromise, and they refused to revoke or suspend the Aliens Law, though they were prepared to concert with other South African States measures for the exclusion of "undesirables." As for the conclusion of Treaties, such as the Convention of Geneva, and the Extradition Treaty with the Netherlands,

they refused to see, despite the plain language of the London Convention, that the British Government had any grievance because it had been kept in ignorance of these transactions. They defended the Expulsion Law as reasonable and politic, and sought to justify their oppressive treatment of Johannesburg newspapers. They complained of the action of the British Government on account of the Raid, suggesting that the whole case on both sides should be referred to the President of the Swiss Republic for Arbitration.

Mr. Chamberlain (16th October 1897) replied in an elaborate Despatch on the whole controversy. He agreed that a Conference on the subject of keeping out undesirable persons from South Africa as a whole might be expedient, but upheld his claim to be consulted about any Transvaal legislation derogatory to the rights of British subjects under the Conventions. Article 14 of the London Convention (the right of free entry, etc.) "contains one of the essential conditions upon which complete Self-Government was accorded by Her Majesty to the South African Republic." As for the breaches of Article 4, governing Foreign relations, the Republic was bound to adhere strictly to its terms. Mr. Chamberlain protested against the implication that the Jameson Raid was a breach of the Convention by Her Majesty's Government, or could be treated as a grievance against Great Britain. It was the act of private individuals, repudiated by the Government immediately it became known.

As to the Arbitration proposal, the Boer Government, Mr. Chamberlain pointed out, had forgotten that the Conventions did not constitute a Treaty between two independent States, but, under certain terms and conditions in the Preamble of the 1881 Convention and the substituted Articles of the 1884 Convention, only gave Self-Government to the Transvaal subject to the Suzerainty of the Queen and her successors. "Under these

Conventions Her Majesty's Government held towards the South African Republic the relation of a Suzerain who has accorded to the people of that Republic Self-Government upon certain conditions, and it would be incompatible with that position to submit to Arbitration the construction of the conditions on which she accorded Self-Government to the Republic. One of the main objects which Her Majesty's Government had in view was the prevention of the interference of any Foreign Power between Her Majesty and the South African Republic—a matter which they then held, and which Her Majesty's present Government still hold, to be essential to British interests; and this object would be defeated by the course now proposed."

While Mr. Reitz kept the paper controversy alive—showing, it must be admitted, no slight resourcefulness and Diplomatic ability—the Boer Executive made matters worse for the Uitlanders, whose condition became increasingly unpleasant as the Government relaxed its efforts to preserve order on the Rand, where complaints, some of which may have been exaggerated, as to outrage on person and property were not infrequent. The worst of these instances resulted in the death of a British subject named Edgar at the hands of the Boer police. On the most lenient interpretation, this was an act of unjustifiable brutality, and the Uitlanders, on 23rd December 1898, feeling that they must no longer submit to official tyranny, addressed to the Crown, through the British Vice-consul, the Petition that recounts their grievances.

Sir A. Milner, who had paid a brief visit to England at the end of this year, and held close conference with the Colonial Secretary, supported the Petition in a remarkable Despatch. He defended the Uitlanders from the charge of being a mere crowd of money-grabbers, careless of political rights or personal dignity so long as they could fill their purses with sufficient rapidity. In a further telegraphic Despatch of May 1899, reviewing the whole

position, he informed Mr. Chamberlain that what the Imperial authority had to deal with was a popular movement of a like kind with that of 1894-95 before it was ruined by a conspiracy of which the mass of the Uitlanders were ignorant. None of the grievances then complained of had been remedied; others had been added. It was a wilful perversion of the truth to represent the movement as artificial—the work of scheming capitalists or professional agitators. The bulk of the population were not birds of passage, but men who contemplated making a permanent home in the country, and would become excellent citizens if they had the chance.

“I may sometimes have abstained,” Sir Alfred said, “when I ought to have protested, from my great dislike of ineffectual nagging. But I feel that the attempt to remedy the hundred and one wrongs springing from a hopeless system by taking up isolated cases is perfectly vain. It may easily lead to War, but will never lead to real improvement.” The true remedy was to strike at the root—the political impotence of the injured. What Diplomatic protests would never accomplish, a fair measure of Uitlander representation would gradually but surely bring about. “The case for intervention is overwhelming.” “The spectacle of thousands of British subjects kept permanently in the position of Helots, constantly chafing under undoubted grievances, and calling vainly to Her Majesty’s Government for redress, does steadily undermine the influence of Great Britain and the respect for the British Government within the Queen’s Dominions. . . . I see nothing which will put a stop to this mischievous propaganda but some striking proof of the intention of Her Majesty’s Government not to be ousted from its position in South Africa. And the best proof alike of its power and its justice would be to obtain for the Uitlanders in the Transvaal a fair share in the Government of the country which owes everything to their exertions.”

With this Petition and these Despatches before him,

Mr. Chamberlain had to decide—and to carry the Cabinet with him—whether to let matters drift, with the likelihood, in the long run, of Great Britain losing her ascendancy in South Africa, or to intervene vigorously and run the risk of War. The Government resolved to act in the spirit of Sir A. Milner's recommendations. In a long Despatch of 10th May 1899, Mr. Chamberlain reviewed the position of the Uitlanders, and showed how they had striven in vain to improve their lot by Constitutional action. When they took up arms in 1895, the President had promised them reforms. But, so far from any substantial remedy having been granted, the new legislation had, on the whole, had the effect of increasing the causes of complaint. After a summary of their grievances in detail—legislative, financial, judicial, and administrative—he came to the conclusion that, under the conditions that had grown up since the Convention of 1884 was signed, the Uitlanders were deprived of that equality of treatment which the Instrument was designed to secure for them. Her Majesty's Government had been anxious to extend every consideration to a weaker state which in recent years had had just reason to complain of the action of British subjects.

Recognising the exceptional circumstances of the case, they had refrained, since the Despatch of 4th February 1896 (suggesting autonomy for the Rand), from pressure upon the Republic, except in cases where there had been a distinct breach of the Conventions; and they had held back in the hope that the Government of the Republic would voluntarily meet the expectations raised by the President. They were most unwilling to depart from this attitude of reserve and expectation, but, "having regard to the position of Great Britain as the Paramount Power in South Africa, and the duty incumbent upon them to protect all British subjects residing in a foreign country, they cannot permanently ignore the exceptional and arbitrary treatment to which their fellow-countrymen and

others are exposed, and the absolute indifference of the Government of the Republic to the friendly representations which had been made to them on the subject."

Earnestly solicitous as Her Majesty's Government were for the prosperity of the Republic, and anxious as they were to avoid any intervention in its internal concerns, Mr. Chamberlain concluded by suggesting that a meeting should be arranged between Mr. Krüger and Sir A. Milner "for the purpose of discussing the situation in a conciliatory spirit." This suggestion Mr. Chamberlain offered as proof that no design was entertained against the Independence of the Republic, and expressed his hope that the proposal would result in reasonable concessions to the just demands of the Uitlanders and in a "settlement of the difficulties which have threatened the good relations which Her Majesty's Government desire should constantly exist between themselves and the Government of the South African Republic."

So reasonable a suggestion, coming at the close of a courteous and dignified Despatch, could not be altogether set aside, especially as the idea of a Conference had arisen independently in the mind of Mr. Hofmeyer, the Leader of the Bond, whose influence on the side of Peace Mr. Chamberlain had sought to enlist at the time of the Raid. The Schreiner Ministry—who had come into power on the temporary withdrawal of Mr. Rhodes from public life—also urged a Conference upon Mr. Krüger. Yielding to the solicitations of his well-wishers at the Cape, and, either because he honestly wished to avert War, or merely sought to gain time, the President telegraphed that he would gladly discuss with Sir A. Milner "every proposal in a friendly way that could conduce to a good understanding . . . provided that the Independence of the Republic is not impugned." Thereupon President Steyn, of the Orange Free State, issued invitations to a Conference at Bloemfontein. Mr. Chamberlain's instructions to Sir A. Milner were simple.

He wished to leave the High Commissioner as free a hand as possible, but the Franchise question was to stand first. Even at this late stage Mr. Chamberlain was ready to accept full Municipal rights for the Rand as a feasible solution "if the President fears that Independence will be endangered by the concession of a general franchise."

Mr. Krüger and Sir A. Milner met at Bloemfontein on 31st May 1899, but in order to show with what ideas his Honour went into the Conference, brief reference must be made to the long-standing dispute as to the Suzerainty. Dr. Leyds, an even more ingenious and voluminous Diplomatist than Mr. Reitz, was serving as State Secretary in 1898, and had sought to explain away the Sovereign rights of Great Britain. His arguments were highly technical, and sufficiently plausible to satisfy those who wished to be convinced. But he weakened rather than strengthened his strictly legal case by importing into it a travesty of recent historical events, on which he exposed himself to confutation. His technical contention was that the Suzerainty was affirmed only in the Preamble to the Convention of 1881, that it was not reproduced in the Convention of 1884, and that the latter Convention was in substitution of the previous one, and should be interpreted by itself. Acting on this argumentative elimination of the Suzerainty, Dr. Leyds again put forward a proposal for foreign Arbitration. Mr. Chamberlain (15th December 1898) declined to accept the suggested repudiation of the Suzerainty, and maintained that the Preamble of the 1881 Convention was not repealed in 1884, the Articles only of the 1884 Instrument being substituted for the Articles only of that of 1881. In pursuance of this view, he again informed the Boer Government that Her Majesty's Government declined to sanction any Treaty or Engagement with a foreign State which was not submitted for approval before its conclusion. Nor would he consent to refer any question to the Arbitration of a foreign Power. There were replies and counter-replies to these Despatches, and thus

the wrangle had gone on until May 1899, when Mr. Reitz—who had again taken up the duties of State Secretary, in order that Dr. Leyds might be set free for his Diplomatic business in Europe—made a vigorous attack upon Mr. Chamberlain's whole position, and boldly advanced the contention that the Transvaal had the "inherent" rights of "a Sovereign International State."

Sir A. Milner fastened upon these words, and so did Mr. Chamberlain. "The way in which the State Secretary juggles with the Convention of 1884," wrote the High Commissioner, "is rather irritating to a plain man. But the importance of the matter does not consist in his arguments. It consists in the assertion that the South African Republic is 'a Sovereign International State.' This appears to me to be contradictory of the position consistently maintained by us, and in fact in the nature of a defiance of Her Majesty's Government!" Mr. Chamberlain concurred in these views, but his Despatch was not written until after the Bloemfontein Conference, and, interesting as it is as an historical review, going back to the Sand River Convention of 1852, and as an assertion of legal right, it need not be further dealt with. It has been made sufficiently clear that Mr. Krüger went into the Conference, in his own view, as the head of "a Sovereign International State"—a State over which no Suzerainty had existed since the signature of the 1884 Convention.

At the Conference Sir A. Milner proposed the full franchise for every Uitlander who—1, had been resident for five years in the Republic; 2, declared his intention to reside permanently there; 3, took an oath to obey the laws and defend the Independence of the country, and discharge other obligations of citizenship. This Mr. Krüger described as tantamount to handing over his country to foreigners. He made, however, counter-proposals for facilitating naturalisation, and for giving the franchise on a property qualification, though hedged about with various stringent conditions. This offer was so different from what

Sir A. Milner had expected, that he fell back on the idea of local autonomy for the Rand, with which, however, the President would have nothing to do. After much controversy, Mr. Krüger suggested a franchise scheme in exchange for foreign Arbitration upon the Convention, and this proved to be the breaking-point of the Conference. The question of Arbitration must, Sir Alfred argued, be considered on its merits, and on no point would Her Majesty's Government agree to a reference to any Foreign Government. The Conference therefore closed, and nothing further need be said of it except that Mr. Krüger had endeavoured to utilise it for obtaining payment of the bill of damages, on account of the Raid, and for gaining final and complete control over Swaziland.

It was for Mr. Chamberlain to consider whether anything could be done with Mr. Krüger's counter-proposals as to the franchise. The Schreiner Ministry at the Cape, though admitting that the suggested concessions were open to amendment, thought they represented a great advance on anything that Mr. Krüger had previously offered, and informed Mr. Chamberlain that in their judgment the state of things in the Transvaal did not justify active intervention in the internal affairs of the Republic.

"To this I strongly demurred," wrote Sir A. Milner to Mr. Chamberlain, who instructed him to tell the Cape Ministry that the Imperial Government were most anxious to avoid active interference, and trusted that Mr. Schreiner and his colleagues would use their influence with Mr. Krüger to take such action as would avert intervention. From this point, matters became inextricably tangled. A Franchise Bill was produced and submitted to the Volksraad, and the Cape Ministry (which, meanwhile, was doing nothing to check the active importation of arms and ammunition into the Transvaal through ports in the Colony) informed Mr. Chamberlain that it thought the scheme "adequate, satisfactory, and such as should secure a peaceful settlement." During June and July Mr. Chamberlain watched

and waited. On the 23rd of the latter month the Volksraad passed the Bill, the main feature of which was that it would give the franchise on a seven years' residential qualification, with naturalisation.

Apparently, therefore, there was only a two years' difference between the Milner proposals at Bloemfontein and the Law as passed; but, as a matter of fact, the concession was encumbered with conditions that made it unworkable and ridiculous as a remedy for Uitlander grievances. Meanwhile, the Boer Government, adroitly taking advantage of a phrase somewhat incautiously dropt by Sir A. Milner at the Conference, chose to assume that Mr. Chamberlain might admit the principle of foreign Arbitration "on differences arising out of the various interpretations" of the London Convention, and presented a cut-and-dried scheme for an Arbitration Tribunal consisting of a Boer, a British subject, and a foreigner chosen by the two as President. Sir A. Milner pointed out that this proposal was absolutely inconsistent with the principle that Her Majesty's Government would allow no foreign interference whatever on questions between itself and the Republic. Mr. Chamberlain also would have none of it. On 27th July he summed up the position in a Despatch in which he allowed himself greater freedom of utterance than he had previously indulged in, charging the Boer Government with having deliberately placed one of the two white races in a position of political inferiority; complaining of its not having made adequate proposals at Bloemfontein, of having declined the demand for Municipal Government for the Rand, and of having since passed a Franchise Law which was obviously unacceptable—though he suggested that this should nevertheless be subjected to technical examination by a Commission consisting of representatives of the two Governments.

As for the Boer plan of Arbitration, Mr. Chamberlain swept it aside. Her Majesty's Government felt "compelled to declare emphatically that under no circumstances

whatever will they admit the intervention of any Foreign Power in regard to their interpretations of the Convention." If, however, the Boer Government was prepared to agree to the exclusion of any foreign element from the Tribunal, Her Majesty's Government would consider by what methods such questions of interpretation could be judicially decided. He recommended that, after the technical points of the Franchise Law had been threshed out, there should be a further personal conference between Mr. Krüger and Sir A. Milner to discuss Arbitration and other matters than the Franchise. But these efforts to find a way out of the difficulties had little effect. Mr. Conyngham Greene, however, was actively at work at Pretoria, and, as a result of his negotiations, the Boer Government, in the middle of August made new proposals relating to the Franchise—yielding a five years' residential qualification. But they attached to this certain unreasonable conditions, the chief being that the assertion of the Suzerainty should not be insisted upon, and that the claim should be dropped, that there should at no future time be any interference with the internal affairs of the Republic, and that as soon as the amended Franchise Law were passed there should be Arbitration on other matters in dispute under the Convention by a Tribunal, the President of which should be a citizen of the Orange Free State.

Mr. Chamberlain gave a qualified acceptance of the Five Years' Franchise proposal, but rejected the conditions with which it was coupled, for reasons which will have been gathered from his preceding Despatches. But he did not exclude the idea of Arbitration, and urged a further conference between Sir A. Milner and Mr. Krüger. By this time, however, the Boers had amassed so enormous a quantity of arms and ammunition—thanks, partly, to the inaction of the Schreiner Ministry at the Cape—that they had become intolerant of discussion. On the 2nd September they withdrew their amended Franchise proposals, and disposed with almost contemptuous brevity

of Mr. Chamberlain's reasons for rejecting the conditions attached to the Five Years' offer. A few days later, however, they intimated their readiness to renew the conference between the President and Sir A. Milner. But this proposal was sent on the very day on which the British Cabinet answered the Boer Note of the 2nd in a Despatch declaring a willingness to accept the Five Years' offer unconditionally, and reserving the right "to reconsider the situation *de novo*, and to formulate their own proposals for a final settlement." The Boer Government would not, however, withdraw the conditions, and awaited these final proposals. As a result of a further meeting of the Cabinet, Mr. Chamberlain (22nd September) sent a Despatch to the Boer Government expressing profound regret at its attitude, and closing thus:—

"The refusal of the Government of the South African Republic to entertain the offer thus made, coming as it does at the end of nearly four months' protracted negotiations, themselves the climax of an agitation extending over a period of more than five years, makes it useless to further pursue a discussion on the lines hitherto followed, and Her Majesty's Government are now compelled to consider the situation afresh, and to formulate their own proposals for a final settlement of the issues which have been created in South Africa by the policy constantly followed for many years by the Government of the South African Republic. They will communicate to you the result of their deliberations in a later Despatch."

That Despatch was never sent. Space need not be occupied with an account of the efforts of the Boer Government to obscure the issues by bringing a charge of breach of faith against Mr. Conyngham Greene, who was alleged to have induced the offer of the Five Years' Franchise by giving the Boer Government to understand that the conditions would be acceptable in London. Nor is it necessary to make more than a passing reference to the lengthy communications in which Mr. Steyn sought to justify

Mr. Krüger's attitude. How far the President of the Orange Free State was sincere in assuming the rôle of peacemaker at the eleventh hour, it is difficult to say.

The more moderate Transvaalers believe, or profess to believe, that Mr. Steyn was desirous of averting conflict, nor is it inconsistent with their view of his motives that when War had broken out he was strenuous in waging it and obstinate in prolonging it. Whatever may have been his real purpose in the Summer of 1899, it is certain that his pacific intervention came too late. The Pretoria Government, confident of military strength, and trusting to the deceptive assurances of help from Europe, were in no temper to listen to reason, even from their kinsmen in the Free State. Mr. Chamberlain, however, replied to Mr. Steyn, by referring him to recent Despatches, defining the situation and the views of Her Majesty's Government, and, with regard to his complaints of "the enormous and ever-increasing military preparations of Her Majesty's Government," reminded him that these had been forced upon the Ministry by "the policy of the South African Republic, which has transformed the Transvaal into a permanent armed camp, threatening the peace of the whole of South Africa and the position of Great Britain as the Paramount State." The interval between 22nd September and 9th October, the date of the Boer Ultimatum, was occupied by this controversy with Mr. Steyn. The time limit fixed in the Boer Ultimatum expired at five o'clock on Wednesday, 11th October. The Boer Government was informed on that day that Her Majesty's Government had received with great regret the peremptory demands in the telegram of the 9th, and that they were such that they deemed it impossible to discuss them. Mr. Steyn was invited to state whether the Transvaal Ultimatum had his concurrence and support. His reply linked the destinies of the Free State with those of the Transvaal.

It was characteristic of Mr. Chamberlain's belief in his

own persuasive powers, and in the ultimate reasonableness of other men, that almost to the end he had entertained some hope of averting a rupture. Though events proved him to be mistaken in his estimate of Mr. Krüger's personal character and political influence over his countrymen, there were some solid grounds for this faith. As he pointed out in a speech at Birmingham on 26th June, this was by no means the first occasion on which Peace had been imperilled. The trouble in 1885 caused by the Warren Expedition, which had rescued Bechuanaland from the clutch of the Transvaal; the commandeering of British subjects in 1894; the closing of the Drifts in 1895; the Alien Immigration Law of 1897—each of these crises had brought us within view of War. On each of these four occasions pressure had been applied to Mr. Krüger, and every time he had given way. The not unnatural inference—though Mr. Chamberlain did not define his expectation—was that Mr. Krüger would ultimately yield on the question of Reform. Meantime, it seemed to Mr. Chamberlain—whose Diplomatic policy is to play with all his cards on the table—that the essential thing was to convince Pretoria that the Colonial Office was again in earnest. Speaking as much to the Boers as to his own countrymen, he declared that the root of all the trouble was the misgovernment of the Transvaal. What, then, was the duty of the British Government? In the first place, to secure, if possible, a peaceful settlement. But they would not be thwarted. Ministers, he said, were absolutely unanimous. They would neither be hurried nor held back. They had entered on the business, and they meant to "see it through." He added an appeal to Mr. Hofmeyer, whose influence with the Cape Dutch he fully recognised, and to the Schreiner Ministry, to help in bringing the Boers to reason.

It is a necessary incident of a Democratic system, but one which does not always make for Peace, that Diplomatic controversies cannot altogether be withdrawn from public

comment. The result is that partially-informed bystanders are tempted to interfere in the game. It would be monstrous to suggest that the Liberal Leaders were actuated by any motive but an honest desire to avert War. Unhappily, they did not realise, not having access to full information, how grave the crisis was. The only means of avoiding a rupture was to convince the Boers that Englishmen as a nation believed in the justice of the claim put forward by the Government, and were prepared, if necessary, to enforce it. It was this impression that Mr. Chamberlain had been trying to work into the minds of the Pretoria authorities. It is just conceivable—though, perhaps, it hardly amounts to a probability—that he might have been successful if the chief Liberal Statesmen had either supported him or remained silent. But it happened, unfortunately, that Sir Henry Campbell-Bannerman, speaking in absolute good faith, had asserted that in his opinion nothing had occurred to justify War, and with this declaration Lord Kimberley, on 28th July in the House of Lords, expressed his complete concurrence. Naturally, the Boers in the Transvaal—relying on the reports transmitted to them by their agents in Europe, who were themselves misled by English enthusiasts—believed that the two great Parties in this country were divided on the South African Question, and that, in Mr. Krüger's words, it was good policy to "wait for the Opposition."

Though the uncompromising language used by Mr. Chamberlain was backed up by an equally explicit statement from Lord Salisbury—"we have put our hands to the plough," he said, "and we do not intend to turn back"—it was not believed in Pretoria that the British Government would press matters to an extremity. There would have been some basis for this scepticism if the dispute had been merely about the Transvaal Franchise, or the conditions that should attend it. The issue, however, was a much broader one. This was plainly stated by Mr. Chamberlain

in the House of Commons. To talk of "race antagonism" as the result of a future War was, he said, misleading. That race antagonism was already in existence. British subjects in the Transvaal were kept in a position of "humiliating inferiority." They were subject to injury and outrage, and the remonstrances of the Suzerain Power were treated with contempt. The question between Great Britain and the Transvaal was not one of some petty reform. "It is nothing of the kind," he said. "It is the power and authority of the British Empire. It is the position of Great Britain in South Africa. It is the question of our predominance, and how it is to be interpreted, and it is the question of Peace throughout South Africa."

His detailed vindication of the negotiations conducted by the Colonial Office need not be recapitulated. His conclusion was resolute, but not unconciliatory. The reason why, for three years, no exceptional pressure had been applied to President Krüger to give a reply to Lord Ripon's 1894 Despatch was that everything had been thrown back by the Raid. During those years the Colonial Office had practised "excessive patience and forbearance." It had waited in the hope that concessions would be made. But things had gone from bad to worse. There was no desire or intention of annexing a country which had been voluntarily given its Independence. On the contrary, the policy of Great Britain was to strengthen the South African Republic by "turning its discontented aliens into loyal fellow-citizens of the Dutch." But the Government of the Transvaal must "accept in principle, and make some approach in practice to, that equality of conditions between the two white races which was intended to be provided by the Convention, and was certainly promised in the interviews and conference before the Convention was signed." Otherwise the Transvaal would remain what it then was—a source of unrest, disturbance, and danger.

Though the situation was anxious Mr. Chamberlain declared himself still hopeful—hopeful because he believed that Mr. Krüger understood the Government were in earnest, and because the great mass of the English people were prepared to support them in any measures which they might think necessary to take. This was at the end of July. On 9th August, on the winding-up of the Session, Mr. Chamberlain spoke with equal firmness, though less hopefully. On the 18th August he informed Lord Lansdowne (Minister of War) that there was no need for reinforcements in South Africa! On 26th August he made at Highbury a speech which, while it left the door open for arrangement, showed that in his opinion the preceding negotiations had not materially improved the situation. Some little progress had been made, but the crisis had by no means passed. “Mr. Krüger procrastinates in his replies, he dribbles out reforms like water from a squeezed sponge.” The demands made at the Bloemfontein Conference were so moderate that many persons thought they verged on weakness. Less could not be asked, less would not be taken. These emphatic words were followed by more minatory language than Mr. Chamberlain had hitherto employed. The issues of Peace and War lay with President Krüger. Would he speak the necessary words? The sand was running down in the glass! The situation was too dangerous and too strained to permit of indefinite postponement. To show that he was speaking for his colleagues as well as for the Colonial Office, he cited Mr. Balfour’s remark that the knot must be loosened, or we should have to find other ways of untying it. He also quoted Lord Salisbury’s warning that if the present delay were much prolonged we should not hold ourselves bound by the offers we had already made, but should take measures to prove once for all which was the Paramount Power in South Africa, and to secure to the British at least those rights and privileges which were promised them when Independence was restored

to the Transvaal. If, Mr. Chamberlain added, a rupture were forced on the British Government, they would, he was sure, have the support of the vast majority of the people of the United Kingdom—of the British Empire.

Nevertheless, his subsequent Despatches were the reverse of provocative. The one written on 8th September was made the object of special laudation at a meeting of Radicals called by the "Transvaal Committee," a body which had been formed to maintain the Independence of the South African Republic, and to protest against War being declared. Even Mr. Leonard Courtney expressed a hope that Mr. Krüger might induce the Boers to accept the proposals of a document which, he said, was a "re-buke to the fire-eaters," and especially to that "lost mind" Sir Alfred Milner.

It was, it will be remembered, one of the latest theories of this political group that the hand of the Secretary of State was being forced by the High Commissioner; that Mr. Chamberlain was working for Peace while Sir Alfred Milner was bent on making War. There was no shadow of foundation for this suggestion. Neither officially nor morally could the Chief separate himself from his Representative. It is not likely, on this question or any other, that two men of powerful and original minds could see exactly eye to eye, but in every instance of disagreement in detail the action taken by the High Commissioner was the action of the Secretary of State, and for every success or failure of the former the latter was exclusively responsible—not merely in a technical and Parliamentary sense. Not only were both pursuing the same object, but, so far as was possible at a distance of 6000 miles, their methods were adopted in concert and after consultation. They were equally anxious to reach a satisfactory settlement, and equally determined, if Peace could not be preserved, that the final provocation should not be given by Great Britain.

Morally, when two nations are going to fight, it does not matter which of them says the last word or strikes the first blow. Practically, however, in a country governed by public opinion, it is important, when a serious War is in view, that the enemy shall be made to put himself in the wrong. It was, therefore, a Diplomatic success—which must be scored to the joint credit of Mr. Chamberlain and Sir Alfred Milner—that they so conducted the negotiations that the Ultimatum which began the War was issued by the Boers, who followed up that initial blunder by an immediate invasion of British soil. Strategically, no doubt, they had no other course open than to start without delay on their long-contemplated inroad on Natal. But it turned many wavering minds in England. The language of menace and the act of aggression killed any lingering sympathy with the Boers, and many Radicals who had preached forbearance and magnanimity before hostilities broke out agreed, on 11th October, that nothing could be done except avenge a wanton insult. Even the Continental advocates of the Boer cause, except those on the subsidised Press, admitted that their *protégés*, by this blunder, had compelled the British Government to enter on a war of subjugation. That we should fail in the undertaking our candid friends hoped and believed, but that we must make the attempt, or withdraw from South Africa and see our Colonial Empire break up by degrees, was universally admitted. For this initial advantage—that we could say without fear of contradiction that we were fighting in self-defence—the country was indebted to the much-criticised Diplomacy of Mr. Chamberlain and Sir Alfred Milner.

Once the War had begun the immediate responsibility of Mr. Chamberlain for the greater part of South Africa was partially suspended, and his activity was chiefly displayed in such matters as supervising the administration of the Concentration Camps and place of refuge provided for Boers who had “come in” voluntarily. In the management of these humanely intended institutions, he was able,

when the first difficulties had been surmounted, to suggest certain improvements and, with characteristic disregard for official procrastination, to see that they were promptly carried into effect. His vigour in this respect was warmly applauded by generally hostile critics, especially as it gave them a chance of having a fling at other servants of the Crown whose intentions, no doubt, were not less benevolent than those of the Colonial Secretary, but who were not equally gifted with the indefinable power of "getting things done." The praise given on such terms has been contemptuously repudiated by Mr. Chamberlain.

The defenceless condition of Natal when the War broke out was due to no neglect on the part of Mr. Chamberlain or his predecessors in Downing Street—it was the result of a too early concession of Self-Government to that very loyal and progressive Colony. The problem of defence had not been properly concerted between the War Office, which was well acquainted with the strategical difficulties, and the local Ministry, which had not troubled itself about a danger that appeared too remote for "practical politicians." Mr. Chamberlain had at an early stage pledged himself to the Natal Government that the Colony would be defended with the whole force of the Empire, and on this they relied. This promise, not unnaturally, was literally interpreted, and taken to bind us to defensive operations at the frontier of British territory. Though the Commander-in-Chief in South Africa was, so far as the Imperial Government were concerned, absolutely unfettered in discretion, it was impossible to resist the pressure applied by the Colonial Ministry. In passing judgment on the initial misfortunes of the War, it should be remembered that the British officers considered that their first duty was to save Natal from being overrun by the enemy. In that object the "Ladysmith Entanglement" was at least successful. Whether the result was too dearly purchased, is a question that need not be discussed here.

During the War Mr. Chamberlain kept a close watch

upon the political situation at the Cape; but during the earlier stages of the conflict, the separate responsibility of the Colonial Secretary was in suspense. We may pass to December 1900 when, the two Colonies having been formally annexed, he interested himself in the question of Peace, and prepared for the still greater problems of the approaching Settlement. A strong note of friendliness to the Boer people now reappears in his communications to the High Commissioner, who paid a brief visit to England and was raised to the Peerage in the following year. The negotiations between Lord Kitchener and General Botha at Middelburg in February 1901 were unsuccessful. Our terms were refused, and Mr. Chamberlain had to announce that they were withdrawn.

Nevertheless, he set to work actively upon the task of reconstruction, defining in a Despatch of 2nd August 1901, the lines on which the future Government of the two Colonies should be administered. Lord Milner was relieved of the Governorship of Cape Colony, and appointed Administrator of the Orange River and Transvaal Colonies. Sir David Barbour was sent to inquire into the finances and prospects of the newly-acquired territories. Other Commissions were instituted to report on the prospects of Land Settlement, and to investigate the validity of the Transvaal Railway and other Concessions. By these and similar methods a vast mass of knowledge and instructed opinion was collected in view of the expected Peace. From the summary, given below, of the terms of the Treaty of Vereeniging, 1st June 1902, it will be seen that, although the submission of the enemy was fairly complete, the obligations assumed by the British Government were by no means inconsiderable.

It was agreed—(1) that all Burghers in the field should forthwith lay down their arms and recognize King Edward VII. as their lawful Sovereign; (2) that all Burghers outside the Transvaal and Orange River Colony, and all prisoners of war should, on formally accepting their posi-

tion as British subjects, be restored as soon as practicable to their homes, and (3) should not be deprived of their personal liberty or their property; (4) that no civil or criminal proceedings should be instituted against any of the surrendering or returning Burghers for acts arising from the prosecution of the War (except certain acts contrary to the usages of war); (5) that the Dutch language should be taught in all public schools in the two Colonies if the parents of the children should desire it, and should be permissible in Courts of Law; (6) that the possession of rifles should be allowed to persons who required them for self-protection, and who took out licenses; (7) that Military Government should be succeeded as soon as possible by Civil Government, and that Representative Institutions, leading to Self-Government, should be introduced as soon as circumstances should permit; (8) that the question of giving the franchise to natives should not be settled until after the introduction of Self-Government; (9) that no special War tax should be laid on the two Colonies; (10) that a Commission, in which the local inhabitants were represented, should be appointed in each district to assist the restoration of the people to their homes, and supply their immediate and other wants: that the British Government should grant £3,000,000 for this purpose, and should allow notes issued and receipts given by officers of the late Republics to be presented to a Judicial Commission appointed by the Government, and, if it were found that valuable consideration had been received, they should be treated as evidence of War losses; that, in addition to the free grant of £3,000,000 the Government should make advances on loan, free of interest for two years, and afterwards at 3 per cent—but not to any foreigner or rebel.

As to rebels from Cape Colony and Natal, Lord Milner undertook that any who surrendered at once, would, on their return to their homes, be dealt with according to the laws of the Colony to which they belonged. The

Cape Government had decided that rebels of the rank-and-file should be disqualified for ever from the exercise of political rights, but that Justices of the Peace, Field Cornets, and other officials of the Cape Government should be tried for high treason and punished according to the discretion of the Court, except that in no case should the penalty of death be inflicted.

Roughly, no doubt, that Instrument represented Mr. Chamberlain's view of an equitable arrangement, though personally, perhaps, he would have been inclined to insist upon a capitulation absolutely unqualified. While willing to treat the Boers with even greater liberality than was promised them, he believed that every concession on the part of the British Government should be made as a matter of grace. This, of course, was sound in itself, but financial considerations and military advice were against it. If the Boer leaders had chosen to break off negotiations they could, undoubtedly, have delayed for some months the final subjugation of the country, and each month of guerrilla operations would mean several millions of money. The price was too high to pay for the vindication of abstract principle, and this was realised as fully by the Colonial Secretary as by any of his colleagues. He felt, too, that his reputation in the annals of the British Colonies as a constructive Statesman would rest not upon the text of the Treaty—which was a matter for the whole Cabinet—but in the use to be made of the great opportunity thus placed in his hands.

No point in Mr. Chamberlain's South African policy has been viewed with more serious misgivings by his Imperialist supporters than his refusal to ask for the suspension of Constitutional Government in Cape Colony. It was pointed out that the Premier, Sir J. Gordon Sprigg, could only maintain himself in office by co-operation with the Afrikaner Bond, and, though his personal loyalty was never called into question, he was denounced as a trimmer by nature as well as in virtue

of his admittedly precarious position. Nor could it be denied that many of those whom he sought to conciliate were more than suspected of complicity with the Cape rebels, while others, though taking no overt part in the actual conspiracy, had scarcely attempted to conceal their sympathy with constructive sedition.

These were arguments not to be lightly overruled at a time when the ink was hardly dry on the Treaty of Peace, while there were still a considerable number of "stalwarts" in every South African Colony not unwilling to renew the guerrilla operations, and while the Dutch Party as a whole were already clamouring for an enlargement of the concessions made in the Vereeniging Convention. The position of the Loyalists in Cape Colony had been no more than tolerable even while they were protected by the operation of Martial Law; and persecution would be commenced in every district where the Dutch held a majority if Representative Institutions were at once revived. These considerations did for a time prevail with Lord Milner. In that view the Colonial Secretary did not concur. It was essential, in his opinion, that the Imperial Government should not be chargeable with taking sides between the two Parties at the Cape, and that the Dutch should have no excuse for saying that they did not get fair play. This was a more urgent need than the avoidance of Parliamentary friction at Cape Town, while it would always be possible, at short notice, to prevent—by force if necessary—the execution of any dangerous measures that might be proposed by a Bond majority.

Two minor influences tended in the same direction. In the first place, the legal term of the Cape Parliament's life was nearly at hand, and it would be time enough to interfere with Constitutional Government should the result of the General Election bring the Bond Extremists into power. Secondly, to suspend the Cape Constitution it would be necessary, if not to pass an Act of the Imperial

Parliament, at least to obtain the sanction of the House of Commons, and this would involve a renewal of political strife at Westminster just when all Parties had more or less agreed to assist Ministers in their development of a policy of conciliation and reconstruction. On the whole, then, the balance of advantage pointed to the temporary and provisional maintenance of Constitutional procedure, and to giving the moderate men in the Dutch and British Parties a chance of working out a *modus vivendi*. The success of the scheme remains to be tested by events, but, against any possible drawbacks that may ensue, must be set the certainty that, had the opposite policy been followed, the division between Parties in the Colony would have been more sharply accentuated than before—the Moderates on each side being forced to support the Extremists. Though it would have been comparatively easy, for a term of years, to administer the Colony from Downing Street, through the High Commissioner, and under the bayonets of a strong British garrison, the Dutch malcontents, if they had been excluded from the right of open agitation, would have been driven into secret conspiracy, and every month during which an autocratic régime was kept up would defer the date at which the old Democratic system could safely be restored. Moreover, it was a policy that would certainly be reversed as soon as the Unionist Party here should have been thrown out of power. For these reasons, if for none others, it was decided to give another chance to Representative Government in the most turbulent Colony within the British Empire.

CHAPTER XV¹

THE WEST INDIAN COLONIES

Though Mr. Chamberlain has been unable to accomplish great results in the West Indies, it can at least be said that he prepared the way for important developments in the future. His time and energy as Colonial Secretary were heavily taxed by vaster and more urgent problems than those which claim the attention of Statesmen in the Caribbean. But he initiated a new era, and quickened the stagnant populations, by his force of will, his power of direction, his sympathetic understanding of their needs and difficulties. Years must pass before these beautiful but unfortunate Colonies show an appreciable advance in material prosperity and social evolution. But an impetus has been given to the island and mainland communities, which is felt not less by the black labourer at the base of the social pyramid than by the white planter with his uncertain foothold on the summit. Mr. Chamberlain had impressed his personality upon the minds of the mixed races who inhabit the Archipelago and the fertile mud flats leading to the terraced uplands of Raleigh's "magnificent province." They knew him to be a thinking, contriving, operating force, not an official abstraction, not an automatic figure-head of a great bureaucratic system, as so many of his predecessors at the Colonial Office had been to them.

¹For this and the following Chapter, as well as for much valuable help on South African and Colonial topics generally, the author is indebted to Mr. H. Whates, author of *The Third Salisbury Administration, 1890-1895*, and editor of *The Politician's Handbook*.



CONDITIONS OF THE PROBLEM

By the policy he thought out for them, and successfully recommended to Parliament, and by the measures he took to give it practical effect, he turned the mood of the West Indian peoples from despondency and fear to hope and courage.

But, except for this change of temper and outlook, they are as blighted by poverty and as incapable of self-help as they were before he went to Downing Street. No Statesman wields a magician's wand. That Mr. Chamberlain was unable to perform a miracle, and convert the West Indies from a state of chronic distress into rich and progressive communities, is due partly to conditions rooted in an unhappy past, partly to climatic, racial, and other natural factors which will persist to the end of time. It is these historical causes and natural phenomena which make the work of the Statesman who would restore the lost glories of the West Indies so arduous and so slow to bear fruit. In order to show the nature of the problem that Mr. Chamberlain had to handle, it is desirable, before describing what he has done, briefly to suggest such broad generalisations as will suffice to create a mental picture of the British West Indies. They lie in the Tropics, under a sun so fierce that the white man will not labour in the open. Seen from the Atlantic, the islands are, for the most part, of rare beauty. The mainland Colony of Guiana, as approached from the ocean, is, however, almost repellent—the sea discoloured with alluvial, the land showing only an interminable line of courida bush: not until the 40-mile belt of mud flats is crossed do the successive elevations stretching backwards and upwards begin. The area of the entire group is something under 117,000 square miles. The islands range in size from Jamaica with more than 4000 square miles to a cluster of islets scarcely worth separate identification. Except for Barbados, every inch of which is cultivated, and where the negro population is so dense that the eye rests nowhere without seeing human forms, there are but few signs of occupation beyond the

harbours and the easily accessible coast lands. The whole group of Colonies contains less than 1,750,000 inhabitants, of whom only a few thousand are whites.

The negro is in overwhelming preponderance, and, despite all that is said of his sloth, he does the bulk of the work of the Colonies, though in Guiana, and in a lesser degree in Trinidad, the mainstay of the sugar industry is in the East Indian immigrants. Negroes, people of every shade from the mulatto to the creole with but the faintest "touch of the tarbrush," indentured immigrants from Central and Southern India, Chinese, Portuguese, originally from Madeira and the Cape de Verde Islands, red men from the primeval forests—now a dying race—and a sprinkling of whites, make a kaleidoscopic picture in a West Indian street. Though the conditions of each Colony vary as to population and pursuits, they are all broadly alike in their dependence upon agriculture—in other words, save for certain field industries in Jamaica and Trinidad, and for the nascent gold and diamond workings of Guiana, upon sugar. There are no manufactures. The trade of the whole group is, in round figures, of the annual value of £14,000,000 sterling.

Politically, the Colonies are ruled from Downing Street. The Crown Colony system, or a modification of it, prevails. The official and representative elements are almost wholly white, and the sugar planters have hitherto been predominant in the Legislative Councils and with the Colonial Office. The owners of the sugar properties are chiefly absentees. The white population, therefore, in the main, consists of officials and European agents of proprietors who pay flying visits to their estates. Broadly speaking, there is no permanent white element—no aristocratic class which has any other social ideal in the West Indies beyond that of extracting sufficient wealth to enable them to return to England. Beneath this section is the great mass of native labour—the creoles and negroes who must remain where they are and live on the soil somehow, and the East

Indians, who are entitled to a return passage to their homes, at the expense, if needs be, of the Imperial Government. Apart from this latter race, the few thousand Chinese, the Portuguese, and the Aborigines—who are not a factor in the problem, except in so far as the presence of handfuls of nomads in the primeval silence of Guiana may be thus regarded—the black and coloured populations constitute the chief care of the Government.

Without them the West Indies are almost valueless to the Empire; the future of the Colonies and the future of the negro inhabitants are one and the same question. Now the West Indian negro has reached a singular stage in the process of evolution. His character has been profoundly modified by exemption from slavery, by the infusion of white blood, and by the crude assimilation of Christianity and the social ideas of the white race. But he has been grossly mismanaged. Statesmanship set him free, but did nothing to teach him how to use his liberty. It allowed him to squat for half a century in the neighbourhood of the sugar estates; and the planters took care that he should still be economically dependent upon them, and should be prevented from obtaining his own terms in the Labour market. This they compassed by a policy of shutting him off from the Crown Lands, by importing coolies and making the negro bear a disproportionate burden of taxation. They aimed only at keeping their estates in profitable cultivation.

Successive Home Governments took the planter's limited view of West Indian problems. Statesmanship subordinated itself to commercialism—a commercialism so narrow that the structure of civilisation in the West Indies was based on the shifting foundations provided by an industry whose extinction, under the combined influence of science and hostile tariffs, was always being threatened. Danger was foreseen, but ignored. Meanwhile, the negro, with the memory of slavery tinging every thought, held himself aloof from the white planter, except so far as sheer

necessity obliged him to work in the cane-fields; and the planter, naturally perhaps, had scant concern for the black man, putting every difficulty in the way of any policy other than that of stereotyping the economic dependence of the negro upon the estates.

As for the intermediate class of coloured persons—a class steadily being increased by unrestricted miscegenation—they refused to work on the plantations at all, or to use such limited opportunities as were open to them for tilling the soil on their own account. They despised the black man and aped the white, taking chiefly to clerical and light occupations, and cherishing a sense of grievance because the minor Government posts were filled from Home. So long as the sugar industry continued to be profitable, affairs drifted on without disaster, the black and coloured population subsisting at a low level—economically worse, in many respects, than that maintained in the days of Slavery—but orderly and law-abiding, though stirred by vague ambitions and discontents. The whites deteriorated in wealth and vigour, successive Governors finding themselves almost powerless, because of the dead weight of planter obstruction and of Colonial Office apathy, to carry out any other policy than that which the sugar owners thought—often shortsightedly—would serve their exclusive interests.

These being the conditions of life in the West Indies, it will not be difficult to imagine what the consequences of a collapse in the sugar industry would be. The white population would withdraw; the Revenue would fail; each Colony would become bankrupt; and the Imperial Government would be left with a group of Possessions of unbounded natural fertility, with nearly two million blacks and coloured persons unable from ignorance and helplessness to become self-reliant, and almost certain to relapse into barbarism as gross as that from which their Pagan progenitors were taken in the Seventeenth and Eighteenth Centuries.

It was with this prospect before him that Mr. Chamberlain took office in 1895. These were the conditions on which he had to act in the West Indies, complicated, as events were to show, by disastrous hurricanes, and, in St. Vincent, by devastating volcanic eruptions. He was deluged with clamorous representations of present distress and impending ruin. A vigorous agitation was set on foot throughout the West Indies in the hope of obtaining assistance from the Mother Country—the help to take the form of countervailing Duties on imported Bounty-fed sugar. Mr. Chamberlain received these petitions with tactful sympathy; but before devising any machinery for relief he determined to get at the facts of the matter by a thorough and impartial investigation. The result was the appointment of the Royal Commission, of which General Sir H. W. Norman—a former and distinguished West Indian Governor—was Chairman, his colleagues being Sir David Barbour, an ex-Indian official of great financial and administrative experience, and Sir Edward Grey.

The Commissioners were instructed to ascertain whether, as a fact, the sugar industry was in danger of extinction; if so, they were to define the causes, and say whether, if these were removed, the business could be carried on profitably notwithstanding the Bounty system. They were to report whether, in the event of the discontinuance of sugar cultivation, other industries could be established—a branch of the question upon which they were to look for guidance to Dr. (now Sir Daniel) Morris, of Kew, who was attached to the Commission as botanical expert. They were also to consider what effect the total or partial extinction of the sugar industry would have upon the community in the West Indies, and what subventions by way of relief would be necessary.

The Commissioners spent the spring of 1897 in the Caribbean Sea, and their Report was promptly published. They found that the sugar industry was in danger of great reduction, and, in some of the islands, of extinction. This

was due principally to the competition of Bounty-aided beet sugar. The abandonment of estates was going on, and, if continued, would cause distress among the labouring population, and render the greater number of the Colonies unable to provide without external help for their own government and administration. In Barbados, Antigua, and St. Kitts, there were no industries that could completely replace sugar. In Jamaica, Trinidad, British Guiana, St. Lucia, and St. Vincent, other industries might in time, and at the cost of much displacement of labour and consequent suffering, be substituted for sugar.

As to losses of Revenue from the cessation of sugar cultivation, only Jamaica, Trinidad, and Grenada could be expected to meet from their own resources the expenditure likely to fall on them. The Commissioners thought the best immediate remedy would be the abandonment of the Bounty system by Continental nations; but, in view of possible Tariff changes and the cheapening of the cost of the products of beet sugar, they were not sure that, even if Bounties were abolished, another crisis of a similar character might not arise hereafter. For a variety of reasons they were unable (Sir H. W. Norman dissenting) to recommend the imposition of countervailing Duties on Bounty-fed sugar imported into England. As to special remedies or measures of relief, they recommended the following:—

(1) The settlement of the labouring population on small plots of land as peasant proprietors; (2) the establishment of minor agricultural industries, and the improvement of the system of cultivation, especially in the case of small proprietors; (3) the improvement of the means of communication between the different islands; (4) the encouragement of a trade in fruit with New York, and, possibly, at a future time, with London; (5) the grant of a Loan from the Imperial Exchequer for the establishment of central factories in Barbados. The subject of emigration from the distressed tracts (they reported)

also required the careful attention of the various Governments, though they did not find themselves in a position to make recommendations in detail. They calculated the cost of the special remedies recommended in (2), (3), and (4), at £27,000 a year for ten years, the expenditure to be borne by the Mother Country. They estimated the amount of the Loan to Barbados for the erection of central factories at £120,000. This measure, no doubt, involved a risk of loss. Grants would be required in Dominica and St. Vincent for roads, and to enable the settlement of the labouring population on the land to be carried out, and the amount might be taken at £30,000. A further Grant of about £60,000 was required to clear off the floating debt in some of the smaller islands—which should, in addition, receive Grants to enable them to meet their ordinary expenditure of an obligatory nature. The amount might be placed at £20,000 a year for five years, and possibly a reduced amount for a further period of five years. The expenditure which the Commissioners were able to estimate might be summarised as follows:—

(1) A Grant of £27,000 a year for ten years. (2) A Grant of £20,000 a year for five years. (3) Immediate Grants of £60,000 and £30,000, or £90,000 in all. (4) A Loan of £120,000 to Barbados for the establishment of central factories. As to the amount of expenditure which it might be necessary to incur in relieving distress (especially in British Guiana and Barbados) in promoting emigration, and in supporting and repatriating East Indian immigrants, they were unable at present to form any estimate, but it might be very great if there occurred a sudden and general failure of the sugar industry in Barbados and British Guiana, where the population was comparatively large, and the people so dependent upon the cultivation of the sugar-cane. In such a contingency neither British Guiana nor Barbados would be able to meet the necessary cost of administration, for, probably, a considerable number of years.

A little exercise of the faculty of imagination will enable the reader to judge the magnitude as well as the complexity of Mr. Chamberlain's task. Essentially it was this: how best, by timely political action and financial help, to prevent the West Indies from becoming a group of pauper communities and a permanent drain upon the Imperial Exchequer. He set to work on two parallel lines—first, the removal of the element of unfair competition created by Bounty-giving Powers, and, secondly, the utilisation of the natural resources of the Colonies by the population.

Mr. Chamberlain used the Report of the Commission as an unanswerable argument with the Treasury—which would have to provide the funds in the event of a collapse in the West Indies—for summoning yet another International Conference on the Bounty System. Lord Salisbury took the lead in getting a Conference together, and it met at Brussels in June 1898. The Cabinet, however, with an excess of caution due to fears of Free Trade agitation, which certainly were not entertained by the Colonial Secretary, declined to arm our Delegates with the one weapon by which the Bounty-giving countries could be brought to reason—a threat that if the Bounties were continued retaliatory action by the British Government would follow. Sir F. Plunkett, Sir H. Bergne, Lord Ampthill, and Mr. E. C. Ozanne (with whom Sir Neville Lubbock and Mr. G. Martineau were associated as expert advisers) were instructed to maintain “an attitude of reserve” on this point. There was some fencing at the Conference, but, as the other States declined to be impressed by an attitude so feeble and mysterious, and did not believe that the British Government was or would be in earnest in “prosecuting any ulterior measures,” the negotiations came to nothing. Our Delegates returned empty-handed. But when Mr. Chamberlain cannot carry a position by a frontal attack he does not rest until he has found an opening on the flank.

The condition of Mauritius supplied him with an opportunity. The sugar industry of that island was languishing because its product had been excluded from India—its chief market—by imports of Bounty-fed sugar from Europe. The dangers there were similar to those in the West Indies. Mr. Chamberlain represented them to the Indian Office, and Lord George Hamilton referred the matter to Lord Elgin. The Viceroy's answer was that, though the Indian Government was prepared to join an International Conference on Bounties, it did not see its way to levy countervailing Duties in the interests of Mauritius. Again Mr. Chamberlain had to wait, but when Lord Curzon of Kedleston became Viceroy, in 1898, and the Brussels Conference had proved abortive, he attacked the subject vigorously, plying the India Office with representations as to the critical condition of Mauritius and the West Indies—the latter, he it noted, a profitable labour market under the indenture system for some of the surplus population of the East. The new Viceroy boldly reversed the policy of his predecessor, and, in March 1899, passed a Bill through the Council imposing countervailing Duties forthwith.

Mr. Chamberlain had thus done a good stroke of business for Mauritius (and incidentally for the native sugar producers of India) and had made it clear to the Bounty-giving Powers that he did not mean to allow our Colonies to be further injured by an indefensible system of competition. Having thus inserted a tolerably thick wedge, he proceeded to drive it home, finding incontrovertible arguments against inaction in the increasing financial straits of the West Indies, which were undoubtedly going from bad to worse—a fact the planters did not permit either the Colonial Office or the public to forget. Reinforced by further facts, by sheaves of Resolutions from the West Indies, Anti-Bounty Leagues and the like, Mr. Chamberlain again concerted with his colleagues, with the object of obtaining a resumption of

the Brussels Conference on such conditions as were likely to render failure improbable. The Delegates were reassembled early in 1902, the British representatives on this occasion being empowered to announce that retaliation against the Bounty system would be adopted by our Government. In consequence of this action an agreement was reached with Germany, Austria-Hungary, Belgium, Spain, France, Italy, the Netherlands, and Sweden for the suppression of Bounties on exported sugar from 1st September 1903. A Convention embodying this result was signed on 5th March, and a Bill to carry its provisions into effect was passed last Session (1903).¹

The Convention has been sharply criticised in all the countries which are parties to it (Russia and the United States, it will be observed, did not attend the Conference), and in no country has it been more sharply attacked than in England, not so much because of any infringement of the principles of Free Trade, as because its critics consider it as being badly drafted and more provocative of mischief than conducive to the commercial advantage of the Empire. Mr. Gibson Bowles has been the most ingenious of its assailants, and it must be admitted that the holes he has picked in it are not easily to be mended. Be that as it may, Mr. Chamberlain had succeeded, so far as Diplomacy could succeed in such a task, in removing from the West Indies a crushing disability. He had secured the abolition of Bounties in Europe, thus uprooting what the sugar interest regarded as the primary, if not the sole, cause of its troubles.

The gratitude of the planters did not deter them from claiming further assistance, on the plea that it was impossible for them to live without help until September

¹ Mr. Chamberlain took an active part in the discussions. The Measure, it should be mentioned, was attacked as an infringement of Free Trade principles and defended as a practical vindication of them—as helping to bring about the sale of sugar at its natural value.

1903. This was afforded them in 1902, when Mr. Chamberlain obtained from Parliament a subvention of £250,000 to be used in making advances to enable the cultivators to keep their estates going until they should receive the expected benefits from the Convention. Telegrams of thanks and congratulation poured in upon Mr. Chamberlain from the West Indies. The Convention was everywhere recognised as his work—as the result of his personal grasp of West Indian problems, his sympathetic comprehension of the needs of the islands. “Accept grateful thanks, results Brussels Conference,” “Thanks for persistent efforts to obtain fair play for the sugar industry of British Colonies,” “High appreciation and thanks . . . for untiring efforts and strong interest evinced in promoting general welfare,” “Congratulations and thanks for your good services,” “Grateful thanks for your services,” “High appreciation and gratitude”—these, and many more like them, were the messages from legislative bodies and public meetings. Never had a Colonial Minister been so popular—certainly not in the West Indies, where it had long been the fashion to think bitterly, and speak and write sneeringly, of the Colonial Office. Never had these Colonies been in so grateful and pleasant a mood; never so less mindful had the sugar interest been of its grudge against the Parent State for having liberated the slaves—at a fancy valuation from the standpoint of an Imperial taxpayer, but with contemptible niggardliness from that of the “old time” sugar lords.

Within the Colonies themselves, the chief problem of Statesmanship is, if possible, to make the negro populations self-supporting in the event of further restriction of the area of sugar cultivation. The Commissioners had recommended the creation of a negro peasant proprietary—the throwing open of the Crown lands, the systematic settlement of the people under conditions in which they could at least grow their own food, and produce for export. To a limited extent, and in Jamaica to a liberal

degree, there was a peasant proprietary in each of the Colonies already; but the negro peasant had, generally speaking, been left to find a way to prosperity for himself; and this the West Indian negro, in the mass, is unable to do, for he is a child both in character and intellect, and must be guided and even pushed along the path of progress. It was little good putting him on the land without teaching him how to make use of it.

Sir Daniel Morris, the technical adviser of the Commission, had mapped out a scheme for the establishment of a Department of Economic Botany and for Agricultural Instruction. Mr. Chamberlain put this into operation, and placed Sir Daniel Morris at its head. That gentleman has since been at work with a competent staff, extending the usefulness of the existing botanic stations—alike for the sugar planters and followers of the minor industries—establishing new stations, encouraging in a variety of ways the theoretical and practical study of agriculture, and endeavouring, through the elementary schools, to raise up a generation of creoles who shall not consider it derogatory to till the soil. It was a vital part of the scheme that it should be in operation for ten years: it will be time enough to talk about results when it has been at work for thrice that period. But something has already been done in remodelling the system of education, and in the practical teaching of Tropical agriculture. Should the sugar industry at any future time fail, the foundations will have been laid for industries by which the negro can at least avert starvation. If he does not do so he will suffer by his own fault; and nothing could be worse for the negro than to be relieved from economic compulsion to labour.

Having set the new Department at work, Mr. Chamberlain stirred up the stagnant waters of West Indian officialdom, directing economies, expenditure on roads, and means of communication, and, generally, breathing new life and vigour into the Administrations. He tried

to interest British capitalists in the starting of central factories, to which the peasant should sell the crops of the cane farms; but the time was not ripe. Capital was shy, the owners of it preferring to wait until the Bounty system should have fallen. In like manner, Mr. Chamberlain had endeavoured to encourage the flow of capital for the exploitation of the mineral and other resources of British Guiana; but though a company was locally formed with the object of obtaining a charter from the Crown, the matter fell into abeyance.

Though with these larger projects ever in view, Mr. Chamberlain worked steadily at practical and immediate reforms, helping the more distressed Colonies by Grants in aid of Revenue, establishing an inter-Colonial steamer service, and, while keeping a tight hand on local expenditure, pushing forward such public works as were likely to facilitate settlement in the Crown lands. His labours were complicated in 1898 by a severe hurricane which devastated part of Barbados, St. Vincent, and St. Lucia, and caused heavy financial loss and acute distress. Relief measures were promptly put in action, a Mansion House Fund opened, and the islands thus enabled to tide over the crisis. Ordinances were passed for granting loans to assist the sufferers to re-start cultivation; and on this matter Mr. Chamberlain's business instincts acted as a wholesome check upon the fondness of the West Indian for putting his hand into the public purse without giving sufficient security for repayment. Nearly £45,000 was sent to the islands from the Mansion House, and in the following year Mr. Chamberlain introduced and carried through the House of Commons a Colonial Loans Bill by which, *inter alia*, £100,000 was advanced to Barbados and St. Vincent under the provisions of the local ordinances. Unhappily, this hurricane was not the only disaster which hampered Mr. Chamberlain in his attempts to promote the welfare of the West Indies. In May 1902, there occurred the terrible eruption of Mont Pelée—de-

stroying the town of St. Pierre, and reducing the French Colony of Martinique to a volcanic ruin—and the scarcely less violent outburst of the Soufrière of St. Vincent, a disaster in which 2000 British subjects, mostly negro settlers, lost their lives. Again, Mr. Chamberlain had to organise Relief measures, and once more the Lord Mayor opened a Fund to enable the survivors to repair the losses they had suffered. The details of the Colonial Secretary's action need not be entered into: it is enough to say that his measures were energetic, and that his sympathy was not only verbal, but also practical and effective. Further eruptions occurred during the year, and the Northern portion of the island of St. Vincent was rendered uninhabitable.

Mr. Chamberlain thus had to reckon not only with economic depression but also with havoc wrought by the violence of nature. Cataclysms, such as certain parts of the West Indies have experienced, re-act to the disadvantage of the whole group of Colonies. Capital draws no fine distinctions between the regions which are volcanic or lie in the path of cyclones and those which are exempt from such risks. Guiana, Jamaica, Trinidad, and other Colonies where nature is pacific, are liable to remain unfertilised by British gold because others in those latitudes are subject to catastrophe. This fact, no doubt, has had much to do with Mr. Chamberlain's comparative failure to stimulate the flow of fresh capital to these "undeveloped estates."

Another factor is to be found in distrust of the vigour and competence of the local Administrations. Mr. Chamberlain did a great deal to remove this feeling by showing that Colonial Office control is a reality—that the local Councils are not to be allowed to mismanage their affairs at their own pleasure. Jamaica furnishes the most conspicuous case in point. Its finances when he came into office were in deplorable confusion, and bankruptcy was impending. After the Royal Commission had done

its work, and, incidentally, had revealed the fact that some of the misfortunes of the island were self-inflicted, he sent Sir David Barbour to discover what retrenchments were advisable.

Sir David's report was, in effect, an indictment of the Government of the island, which, it should be said, has a majority of Elective members on the Legislative Council, and hankers after a restoration of Representative Institutions, for which the population had been, and still is, quite unfitted. The island Government was blamed for taking over the Railway, and entering into a contract for its extension, and it was shown that the official element had been unable to prevent a bad bargain being made, drastic recommendations were made for reorganising the Revenue and Expenditure, and more vigilant Imperial control was suggested.

To the disgust of the Elective members, Mr. Chamberlain acted upon this Report, directing fresh Revenue legislation, and plainly informing the people that henceforth he would exercise control over their finances. To enable him to do this, he instructed the Governor (Sir Augustus Hemming) to nominate members of the Legislature, and keep them there to pass such Votes and Measures as the Colonial Office might regard as of paramount importance. The Elective members talked of resigning in a body. Mr. Chamberlain took no heed of the outcry beyond controverting the arguments submitted to him by local political associations. When the Elective members made difficulties about passing the new Tariff Bill which he had required of them, four unofficial members were nominated, so as to enable the Government to outvote the Electives. Thereupon the agitation came to an end. Pledges of reasonable behaviour were forthcoming, and on the strength of these the Nominated members were, on the initiative of the Governor, withdrawn, and the Bill was passed.

For a time the situation was disagreeable, for the

amour propre of the Jamaicans was wounded, and there is a good deal of latent political feeling in the Colony which excitable persons might have turned to mischievous account. The Governor became very uneasy as to the consequences of a prolongation of the dispute. A weaker man than Mr. Chamberlain might have given way, and let the islanders blunder on from bad to worse. Not only their interests, however, but also those of the Imperial taxpayer, were at stake, for actual insolvency would have meant heavier drafts upon the Home Exchequer; and Mr. Chamberlain was not the sort of man to temporise with such a situation. "Let it be clearly understood," he telegraphed, "that it is my instruction that Government Measures, when fully considered and judged of paramount importance, must be passed." He was not pleased that Sir Augustus Hemming had arranged matters with the Electives and withdrawn the Nominated members without his sanction; both then and later he threatened that Constitutional changes would be made if the Elective members were again obstructive. Since then affairs have quieted down. Jamaica has paid the price of Imperial assistance in the form of political obedience. Under the rigorous control of the Colonial Office, financial stability is once more in sight. The island, indeed, has a tolerably safe future, even if her sugar mills should cease to crush the cane.

It is the fault of her own people that her fortunes are not more secure than they are. By their indolence they have done much to bring discredit upon their fruit industry. If it had not been for American enterprise, the fruit trade of Jamaica would be of small account; and the trouble that the Americans have had to drive into the Jamaican brain the fact that fruit for export must be skilfully selected, and carefully picked and handled, would scarcely be credited in any ordinary white commercial community. This is not, however, the place to enter into that question: what we are concerned with is Mr. Chamberlain's policy

of encouraging a direct fruit trade between Jamaica and England, where the people have acquired a taste for the banana, and would be far greater consumers of the fruit but for the rapacity of the urban shopkeeper, who, particularly in the West End of London, has made "a dead set" against the Jamaican product.

The story of the late Colonial Secretary's efforts is summarised in the contract made in April 1900, between the Crown Agents for the Colonies and Messrs. Elder, Dempster, & Co. of Liverpool. In return for a subsidy of £40,000 for the first year, and £30,000 a year subsequently, the contractors undertook to provide and maintain for ten years a fortnightly service of British steamers for the carriage of fruit, passengers, and mails, between Jamaica and the United Kingdom, the vessels to be of a fine type and equipment, with accommodation for a hundred first-class, and fifty second-class passengers, and special suitability for the carriage of perishable produce.

The contract is an elaborate document which need not be analysed in detail. It is a good example, however, of Mr. Chamberlain's method of pressing business principles into the service of Statesmanship. He saw that there were various ways in which Jamaica could be assisted—that what she needed was direct fast steamship communication with England, for the double purpose of finding a market here for her fruit, and of stimulating the tourist traffic to the island, and that she required more skill in the choice and shipment of the fruit, and better hotels in which to lodge the tourists. The contract provides for all these things. The shipowners, for example, are bound by stringent conditions as to the purchase and freight rates of fruit, and manner of carriage; and they have to provide, for the duration of the contract, not less than six experienced agents for the instruction of fruit growers, in cultivation, harvesting, and packing. Should the Colonial Government enter into the business of hotel ownership, the contractors are to pay one-fourth of the

outlay on hotels, provided that their liability does not exceed £10,000. The transaction was with the Imperial Government, and the subsidy is paid in equal shares by Great Britain and by the Colony.

The services were inaugurated in February 1901, the shipowners being, it should be said, under the obligation of carrying 20,000 bunches of bananas—a bunch as cut from the main stem of the plant—every fortnight. During the twelve months of 1901–1902, the Direct Line carried 643,846 bunches, of the value of £48,288, and over five and a half million of oranges, of the value of £7294. The total value of the fruit carried in the holds of these vessels in the period under review was £59,074, 10s. The Royal Mail Line carried, in the same time, fruit to the value of £5524. The following passage is taken from Mr. Sydney Oliver's last published Report on Jamaica:—

“So far as the actual addition made to the volume of the fruit trade is concerned, the effect of this experiment might not appear considerable. The quantity of bananas carried is less than one quarter of the mere increase in the report of that staple for the year, and had the fruit not been sent to England it would doubtless have gone, though possibly at some loss of price, to the United States. Important results have, however, been achieved, in regard to the development and prospects of the fruit-growing industry. It has been proved that bananas can be carried to England in a marketable condition. It has been proved that a large demand for them may be expected at a paying price, and an independent Company has been formed to run, without a subsidy, a second fortnightly service for the purchase of from 30,000 to 40,000 bunches each trip. It is recognised by all concerned that if such ventures are to be successful the volume of the trade must be multiplied by a large factor, and those who have invested large capital in the enterprise are well qualified and determined to effect this. As yet, however, the value of the fruit exported to Eng-

land is little more than 6 per cent of the total. For the sale of the balance we have still to rely entirely on the American market."¹

The English market, however, should be able to take as much West Indian fruit as the American. That depends on three factors—the degree of intelligence that the Jamaican growers, packers, and shippers put into their business, the growth of the taste for tropical fruit in England, and the facilities for distribution to the consumer at a cheap rate; and in this last matter the costermonger with a barrow-load of bananas is a better friend to the West Indies than the West End shopkeeper, who endeavours to restrict trade to such fruit as he can handle at a large profit.

Nor was it only by pledging Imperial resources to the development of the fruit trade and tourist traffic that Mr. Chamberlain sought to benefit Jamaica. The Colonial Loans Act of 1899 bore an item of £65,000 for public works, such as the sewerage and street reconstruction of Kingston; another of £150,000 in aid of Revenue; another of £198,000 for the completion of the railway and payment of interest on debentures of the line, and yet another of £40,000 for waterworks and irrigation services. People who are disposed to sympathise with the agitation in Jamaica for the restoration of full Representative Government will, doubtless, when reflecting upon these figures and the extent to which the British taxpayer has come to the assistance of the Colony, agree with Mr. Chamberlain that Colonial Office control is just and necessary. That the Imperial investment will be remunerative in the long run there is good reason to believe. The £110,000 advanced to Trinidad under the Colonial Loans Bill for railways and public works is, for example, as

¹ Since this Report was published the prospects of the Island have been ruined, for, at least, another year, by a terrible hurricane in August 1903. In order to provide against such disasters it has been proposed to set up, with Government guarantee, a system of public insurance—the planters who refuse to contribute being disentitled to relief.

sound a business transaction as any entered into on behalf of Jamaica.

As for the Imperial assistance granted to the West Indies on account of the failure of Revenue and special circumstances such as hurricanes and eruptions, the money has been spent with the object of averting the necessity for still greater disbursements in the future, for the Imperial Government, even if it wished, cannot escape from its responsibilities in the West Indies. Their condition is due in some measure to past neglect in Downing Street, as well as to the want of self-reliance, initiative, and energy in their population. The whites had been brought to poverty partly through the failure of the Home Government to redress the injustice caused by the bounty system; the negroes were wrenched from their West African homes under the sanction of the Imperial Government, and freed by the Government against the will of the class which by ownership of them had become responsible for their welfare. After emancipation they had been left to get on as best they could without the care and guidance which their condition and prospects called for. It was with the approval of the Imperial Government that the Asiatic element was imported into the region, and with the connivance of the Home authorities that the entire group of Colonies was administered primarily in the interests of a single industry.

Imperial responsibility is written in large letters from Jamaica to Guiana, and what this would mean—in cash to be taken from the pockets of the English taxpayer—in the event of further retrogression in the West Indies it is not easy to estimate. It was Mr. Chamberlain's task to avert that obligation, to bring Parliament to realise the possible liability, and to act with large, but yet prudent and business-like, liberality. He has succeeded so well that no one whose judgment is worth considering is any longer content to let the West Indies drift into ruin and anarchy—and that is what would have happened in time,

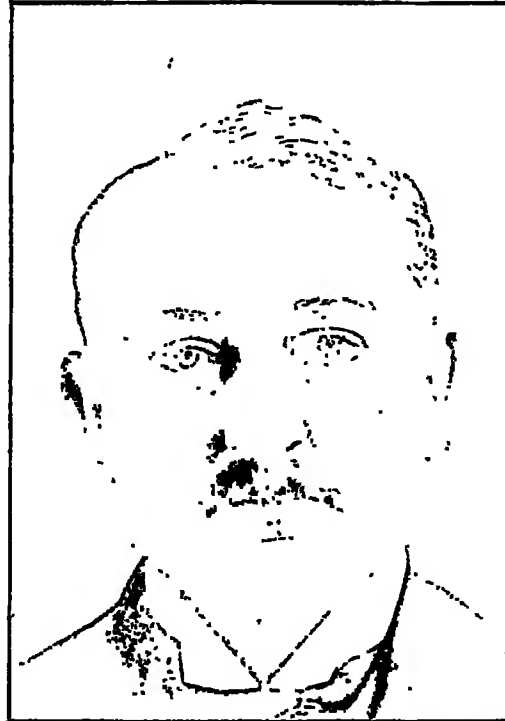
for the negro, bereft of the capital and guidance of the white man, would relapse into barbarism almost as rapidly as an abandoned cane-field becomes covered with the rank undergrowth of the Tropics. Mr. Chamberlain's work has been attended by such good result in the Colonies themselves that the whites are no longer thinking of abandoning their properties, but, on the contrary, are looking forward to a new era of comparative prosperity; and the negroes, the coloured people, and the Asiatics have the prospect of a certain livelihood, either as labourers for wages or as independent peasant cultivators. Though it is yet too early to say that the sugar industry in the West Indies is permanently saved, and that the economic and social dangers attending its extinction may not even yet confront some future Government, these Colonies are no longer travelling full speed astern, as they were when Mr. Chamberlain assumed the direction of their course in 1895.

AFRICAN EMPIRE-BUILDERS



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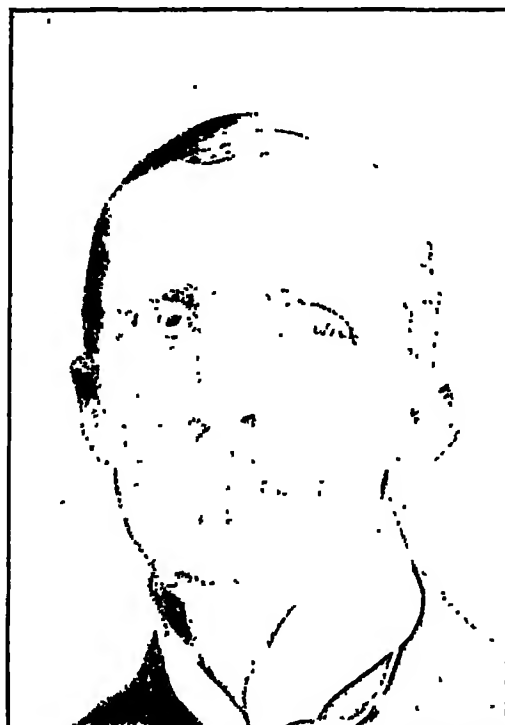
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RT. HON. SIR G. D. TAUBMAN-GOLDIE

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Ultimatum which Prempeh insolently defied, but taking no decisive action.

Mr. Chamberlain made up his mind that Ashanti truculence should be tolerated no longer, and that the French policy—a perfectly legitimate one—of hemming in the Gold Coast, should be counteracted by a seizure of the Hinterland. To give Prempeh one more chance, he sent a Mission requesting him to accept a British protectorate and receive a British Resident at Kumasi. He was allowed until 31st October 1895 to comply with this demand. Acting under the advice of two Coast negroes, "Prince John" and "Prince Ansah"—two products of missionary schools who had intrigued themselves into Prempeh's confidence, and placed their brains and knowledge of civilisation at his service—Prempeh turned the Mission back. Meanwhile, these two negroes came to London in the hope of turning Mr. Chamberlain from his purpose. Sir William Maxwell had, however, kept Mr. Chamberlain informed of the true status and character of the sable envoys, and the Colonial Secretary shut the door of Downing Street upon them.

No answer being forthcoming to the Ultimatum, an Expedition was prepared by the end of the year, and on 5th January 1896, Sir Francis Scott led it into Ashanti-land. To the astonishment of every one, he had a peaceful promenade to Kumasi, which was entered on 17th January. The King was found in a drunken state, and it was probably due to his cowardice and lack of the vigorous qualities which had distinguished his predecessors on the Stool, as well as to dissensions among feudatories who rejected his authority, that opposition had not been offered to Sir Francis Scott's little army. The warlike spirit of the Ashantis seemed to have evaporated. The King was compelled to make his submission amid circumstances of humiliation such as would impress the imagination of his people. For the first time in the history of this fierce confederacy, the head of an Ashanti Ruler was placed beneath the foot of the European. The scene in the market-place of

Kumasi, and the military spectacle by which the lesson of British mastery was enforced, the reeking Fetish slaughter grove, where the Pagan gods of the Ashantis had been lavishly propitiated with human flesh, in the vain hope of averting the downfall of the Kingdom, need not be described. It is enough to say that the King and his wives were deported to the coast and exiled, a British resident seated in his Capital, a Protectorate proclaimed, and troops sent out Northward to make it effective over the tributary Chiefs of Ashanti.

France, meanwhile, was pushing down from the North, and there was a race between the British and Senegalese forces to establish effective occupation over as large an area of Hinterland as each could traverse. The chief obstacle to both was a powerful Arab slave-trader named Samory, who raided and plundered in the spheres of both Powers impartially. Our occupation of Wa led to a dramatic incident. Lieut. Henderson and Mr. Ferguson, a civilian official, went out from that station to visit certain distant tribes with whom Treaties had been made, and were attacked in overwhelming strength by Samory. They fell back upon Wa, and were besieged there. Lieut. Henderson went alone into Samory's camp to treat for peace—one of the pluckiest of many courageous acts in the obscure story of West African extension. Samory kept him a prisoner for a month, and sent him with an escort down to the coast. Wa had, however, to be abandoned, and Mr. Ferguson, who unfortunately had been wounded, was dropped and left by his carriers during the retreat, and decapitated by the enemy. An Expedition under Col. Northcote was sent later on, but Samory was in trouble with the French, and had moved away.

The overthrow of King Prempeh was followed by the inclusion of Ashanti in the British Empire, and of the Northern regions beyond the Kingdom, now known as the Northern Territories. The result of Mr. Chamberlain's "forward" policy was to expand the Gold Coast

Colony and Hinterland by more than 100,000 square miles, with a population of over 2,000,000. Unfortunately, the Golden Stool of Ashanti remained secreted among the tribes, and the inability to discover it led later on to serious difficulties. Before, however, these developments are described, it will be well to see what Mr. Chamberlain did to consolidate British authority in the region, and prepare the way for its commercial development. Colonel Northcote, who subsequently lost his life in the South African War, was made Commissioner and Commandant General of the Northern Territories, and, pending the frontier arrangements with France, pushed out columns in all directions to make our occupation effective among the recalcitrant feudatory tribes of Ashanti, and against the ever active Senegalese who were carrying the French flag into the British sphere. District Commissioners were stationed throughout the Protectorates, and stringent legislation passed for the suppression of traffic in arms, and of natives assemblies that menaced the preservation of Peace. Coincident with this military and executive activity, surveys were undertaken for the construction of railways through the mining and timber districts, and on to Kumasi. Government stores were established to inculcate in the people of the interior a taste for merchandise (spirits, by the way, were excluded from the Protectorates), encouragement given to traders and prospectors, and a Land Bill passed for regulating cessions of territory for mining.

Some of this work meant heavy Imperial grants, which Mr. Chamberlain had to justify in the House of Commons, but the results were satisfactory. The mining industry of the Gold Coast Colony received a remarkable impetus—such an impetus, in fact, that it attracted certain speculators on the Coast, and in the City of London, against whom Mr. Chamberlain eventually found it desirable to warn the investing public. Trade also increased, and, with the settlement of the political difficulties with France,

an era of peace and progress seemed to have set in for the Colony. Amid these circumstances, the railway projects were steadily prosecuted, and in the Colonial Loans Act of 1899, a sum of £578,000 was allotted to the line from Sekondi to the gold-mining district of Tarquah, and for preliminary work in connection with lines from Tarquah to Kumasi, from Appam to Kumasi, and from Accra to the Volta; and a further sum of £98,000 for improving the harbour at Accra.

The prospects of the Colony were, however, suddenly overshadowed by a formidable Ashanti rising in the Spring of 1900. The Governor, Sir F. M. Hodgson, whose administrative experience had been solely with negroes of a pacific type, rightly conceived the idea that valuable service would be done to the Empire if he could unearth the sacrosanct Ashanti Stool. He does not appear to have been kept adequately informed of the true state of feeling among the Ashanti Chiefs and people, who had various grievances, and, more or less secretly, were burning to obliterate the disgrace they conceived themselves to have incurred by yielding to the British power in 1896 without resistance. In this condition of unwariness and optimism, he went to Kumasi, accompanied by Lady Hodgson and a small body-guard. The grievances were to be disposed of, the Stool brought to the Coast, and the Ashantis, deprived of their renowned symbol, reduced for ever to childlike submission.

There was a great assemblage of native Chiefs at Kumasi on 28th March, when Sir F. Hodgson lectured them in the imperious style which it is safe to employ towards the negro only when he knows that you possess the power to crush him. In language picturesque enough for comic opera, he demanded an instalment of the 50,000 ounces of gold that a former generation of Chiefs had undertaken to pay after the Wolseley Expedition, and the delivery of the Golden Stool. "Where is the Golden Stool?" asked the Governor. "Why am

I not sitting on the Golden Stool at this moment? I am the representative of the Paramount Power; why have you relegated me to this chair? Why did you not take the opportunity of my coming to Kumasi to bring the Golden Stool and give it to me to sit upon?"

The Chiefs, who had long been secreting arms and ammunition, were not in a mood to be cowed. When, therefore, Sir F. M. Hodgson, acting upon information which seems to have been invented for the purpose, sent a detachment to find the Stool in one of two villages supposed to contain it, the Ashantis intercepted the troops and they only found their way back to Kumasi after severe fighting and with heavy loss. The whole country rose in revolt. Sir F. M. Hodgson endeavoured to negotiate with the Chiefs, but they would have nothing to say to him, and besieged Kumasi. Fortunately, a body of 700 native troops were able to get into the place before the investment was completed, and thus the risk of Kumasi being rushed was reduced; but the situation Mr. Chamberlain had to deal with was humiliating as well as critical. The Governor had placed his head in the jaws of the Ashanti monster.

Mr. Chamberlain acted with characteristic promptitude, pouring troops into the Gold Coast from all parts of West Africa. He entrusted Colonel (now Sir James) Willcocks with the command. But it was not until 26th May that the Colonel could arrive at the coast, and June passed before relief operations could be undertaken. Meanwhile the Kumasi garrison were enduring terrible straits with no hope of speedy alleviation, and the Governor courageously determined that their only chance was to break out of the place or perish in the attempt. They had borne a close siege for two months, and death was preferable to starvation amid the horrors and stench of Kumasi. Leaving a garrison in the Fort with provisions for twenty-four days, they filed out on the night of 22nd June, and almost miraculously got through the enemy's stockade

without being annihilated. A few days' marching and fighting through the bush brought the column to the friendly King of N'Kwanta, and thence, after a rest, they reached the Offin River, which they crossed in flood and obtained comparative safety in the Gold Coast Colony.

When the news of the Governor's escape reached Colonel Willcocks at Fumsu on 4th July—whither he had had to fight his way amid terrible difficulties—he telegraphed to Mr. Chamberlain that, under any circumstances, he would relieve Kumasi by 15th July, at which date the provisions would all have been consumed by the garrison. He kept his word, fighting all the way, rushing stockade after stockade, and successfully accomplishing as arduous and dangerous a bit of work as had ever fallen to a West African Commander. He found the garrison reduced to the last straits: nor did the re-establishment of British authority at Kumasi end the War. Almost the entire Northern territories had to be conquered as well as Ashantiland proper, and not until the end of the year, and then only after very severe fighting, in which the Ashantis showed their traditional courage and skill, and in which several British and native officers brilliantly distinguished themselves, was the rising quelled.

In a military sense the work was thoroughly and, so far as can be foreseen, finally done. The Ashantis had never before been soundly beaten. The Wolseley Expedition had burned the Capital and hastened back to the coast; dissension among the Chiefs and the inebriate cowardice of Prempeh had reduced the Scott Expedition to a promenade; but this time the Ashantis were hit so hard that—so, at least, it seemed and still seems—we need never fear another Ashanti revolt on a grand scale. When Sir F. M. Hodgson returned to England on leave, he wrote an interesting Despatch in defence of his action, the point of it being that the Ashanti Chiefs had long premeditated and prepared for revolt, and that he had not known of it.

In Sierra Leone also Mr. Chamberlain had to grapple

with an alarming rebellion. An agreement with France in 1895 had secured for the Colony a Hinterland about as large as Ireland, and swarming with negroes of an independent type of character. The problem before the Colonial Office was twofold—that of policing and administering the region, and getting out of it at least some proportion of the cost of Government. The tribes, in fact, were to pay for their own police. As they had no very ardent desire for white protection, the problem of taxation was not easy.

The Governor of the Colony was Sir Frederick Cardew, a military man with a clear appreciation of hard facts, and a somewhat heavy hand. He and Mr. Chamberlain devised a Protectorate Ordinance under which each hut was to pay a tax of five shillings a year, and the huts of Chiefs ten shillings. The Frontier Police were employed as tax-collectors, and trouble broke out, the natives finding a capable leader in a chief named Bai Burch. There is the usual conflict of evidence as to whether the rebellion was really due to the Hut Tax, or whether it was not an attempt to expel the British from the interior because of the official suppression of slave-raiding and other practices inconsistent with European ideas. Bai Burch's supporters murdered all the white missionaries upon whom they could lay hands, and massacred friendly natives without compunction. Punitive operations followed, and there was much inglorious fighting, extending over many months before Bai Burch was captured and the country subdued.

Meanwhile, people in England loudly complained that the Hut Tax was an injustice, and that Mr. Chamberlain and Sir F. Cardew had blundered into bloodshed. Before the War was over Mr. Chamberlain so far yielded to the criticisms on his policy as to appoint the late Sir David P. Chalmers to inquire into the cause of the insurrection, and to recommend what should be done in the future. Sir David Chalmers had seen many years' judicial service in a part of the Empire where the negro has for-

gotten how to fight. He took a philosophic rather than a practical view of his mission, and produced a Report crowded with irreproachable sentiments. It was, in effect, a condemnation, on broad principles of abstract justice, of the policy of the Colonial Office. He did not believe that interference with the Slave Trade was a factor in the rising. He attributed the troubles to Sir F. Cardew's high-handed treatment of the Chiefs, and the imposition and not always tactful enforcement of the Hut Tax; and as to the injustice and inexpediency of that impost, he took a view which Bai Burch himself could hardly have improved upon.

Sir David suggested that punitive operations should cease, that a general Amnesty should be proclaimed, that the edifice of administration by District Commissioners should be razed, that the chiefs should be restored to authority, that the Frontier Police should be withdrawn—that, in short, the Hinterland should be left to itself except for such missionaries as might be encouraged to settle in it, who were to be subsidised by Government, if they would add the teaching of simple handicrafts and the growing of vegetables to the theological instruction which they gave to the negroes. It was a charming Report, instinct with the warm-hearted humanitarianism of a pious Scotch gentleman, who had won the respect and admiration of all who knew him in the course of his long and distinguished career in the service of the Crown; but it was out of harmony with certain ugly facts. The reasons on which this criticism is based, may in part be found in an elaborate controversial analysis of the Report by Sir F. Cardew. It is enough to say that, had Sir David's recommendations been acted upon, the British power would have become a negligible quantity in the Hinterland.

With such a Report before him, Mr. Chamberlain had to make up his mind whether Sir F. Cardew should be removed, the Hut Tax revoked, and the interior left almost to itself, or whether Sir David Chalmers' Report

should be disregarded. He decided upon the latter course, and set forth his reasons in a Despatch of unwonted vigour. Its general argument was that the obligations of Great Britain under the General Act of the Berlin Conference made it incumbent upon us to police and administer the interior; that what the natives needed was firm and direct control, that the rising had shown the necessity for that control being strengthened rather than weakened, that the Hut Tax was equitable and well within the taxable capacity of the people, and that the policy and conduct of Sir F. Cardew had on the whole been just, and such as the circumstances demanded. A decision such as this is best judged by its fruits, and the only comment which need here be made is that the Hut Tax has since been collected without trouble. The country was pacified without very great difficulty after Bai Burch fell into British hands, and events have since justified Mr. Chamberlain's policy.

The War, no doubt, might have been averted if we had disregarded our obligations under the Berlin Act, as well as our political and commercial interests in this part of West Africa: most quarrels can be avoided if one of the parties will meekly suffer self-effacement. But Mr. Chamberlain is remarkable for the readiness with which he incurs rather than evades responsibility; with such a man at the Colonial Office, the establishment of a permanent British administration in the Hinterland was inevitable, be the local risks small or great. They were faced, and they were overcome. Mr. Chamberlain had the necessary faith in himself to pursue his policy to its logical conclusion, notwithstanding the arguments of his own Commissioner and the attacks upon the Colonial Office to which that document gave official sanction. And the result is that our authority in the interior is unlikely to be seriously contested in future, and that the natives are themselves contributing about £30,000 a year in Hut Taxes to the maintenance of the Protectorate.

The trade of the Colony naturally suffered from the War, and recuperation has been slower than was hoped; but Mr. Chamberlain had done what he could to help the country on the path of progress. Under the Colonial Loans Act, Sierra Leone obtained £310,000 for the extension of the railway from Freetown *via* Rotofunk to Moyamba. This line is now open for a length of over fifty miles, and a further extension of eighty miles is in course of construction. From first to last the Imperial Government has authorised Loans amounting to over £900,000 for this railway, which is expected not only to facilitate trade with the interior, but also to simplify the work of administration there. As the military expenditure on the Protectorate has been over £20,000 a year since 1898, and the civil expenditure has increased from about £10,000 to £24,000, some years must elapse before the Protectorate can pay its way. But the Revenue has risen from nearly £8000 in 1898 to over £38,000 in 1901, and, given a continuance of Peace, Sierra Leone and the Protectorate may be expected to attain a satisfactory level of prosperity, though, in the most favourable circumstances, it is not so promising a field for development as some neighbouring estates of Empire. No Colonial Minister can, however, alter the geographical and racial conditions in which he has to work. He can but make the best of them.

Wherever one turns in West Africa, it will be found that Mr. Chamberlain has had to suppress turbulence and savagery. The rifle, the bayonet, and the Maxim have been the necessary precursors of the civil administrator. Peaceful development has not been possible. Where Mr. Chamberlain's hand has not been forced by native truculence, he has been led into conflict by the ardour of his subordinates. The massacre near Benin is a case in point. That an unarmed party, without escort, should have proceeded to that Ju-Ju stronghold was a rashness such as Englishmen often commit. Phillips, Maling, Cawford,

Campbell, Elliot, Powis, and Gordon paid for their error with their lives; only Boisragon and Locke escaped the slaughter which overtook the leaders and the little column of carriers. A punitive expedition was, of course, necessary, and this was brilliantly carried through by Rear-Admiral Harry Rawson, who found the city of Benin little better than a shambles. A wide district was relieved from the terrorism exercised from Benin. The Chiefs from the surrounding districts seemed only too glad to make their submission; but two notorious headsmen—Ologboshi and Abohun—who had been directly implicated in the massacre remained in the fastnesses of the Delta swamps.

It was at this stage that Mr. Chamberlain, by the transfer of the Niger Coast Protectorate from the Foreign to the Colonial Office, became personally responsible for the administration. He authorised a further Expedition, which this time went out from Benin city; and this, in 1899, broke up the camps of the Chiefs, and pacified a wide area which it had not been safe for the white man to enter. Ologboshi was captured, and, after trial, in which his personal responsibility for the massacre of the Phillips party was demonstrated, he was executed.

Here we may trace the course of events which led to an area of 500,000 square miles, and a population of about 30,000,000, being added to Mr. Chamberlain's charge. France had sought to assert sovereignty on the Niger within the British limits as defined by the Anglo-French Agreements of 1889 and 1890—that is to say, within the Say-Barua line from the Niger to Lake Chad, and within the Hinterland of Lagos. The Royal Niger Company had—from no fault of its own—failed to make good its Treaties with native potentates by planting its flag and establishing residents in the Sultanates; and ambitious French officers, working with aggressive energy for the creation of a vast North African Empire for France, flew the tricolour within the British sphere, disregarding prior

Treaties with the Niger Company because they had not been followed up by "effective occupation."

The question brought the two nations into sharp controversy. Into the details of the diplomatic dispute which ended in the Convention of June 1898, we need not enter. Mr. Chamberlain took a strong and definite line. In various speeches in the House and outside he described how our West Coast possessions had been limited by the lateral French advance from Senegambia, how the Gold Coast and Lagos were threatened by the French intrusion into their Hinterlands, and how necessary it was to make a stand against the aggression of our neighbours in that region. He denied that there was dissension in the Cabinet; but, rightly or wrongly, the public believed that, but for Mr. Chamberlain's insistence upon Colonial interests, an arrangement might have been made less advantageous to Great Britain than the Convention which Lord Salisbury was eventually able to conclude. Under this instrument France evacuated Boussa and all places on the lower Niger up to and including Ilo, but retained Nikki, in what we had claimed to be the Lagos Hinterland, and was given access to the right bank of the Niger by bonded warehouses in strips of territory leased to her. A compromise was also made as to the Gold Coast Hinterland, and it was arranged with France that for thirty years we should have equality of tariff treatment with her subjects East of Sierra Leone.

The credit of this settlement, which is described only in broad outline, belongs not less to Mr. Chamberlain than to Lord Salisbury. Its effect was to complete the *enclaves* which the French advance had made of our West African Possessions, and to define their boundaries subject to expert delimitation. This being done, it became desirable, for the better avoidance of future disputes, to establish direct Imperial administration over the vast area in which the Royal Niger Company had made Treaties, and in which it had, to a certain extent, established jurisdiction

—its latest achievement in this direction being the overthrow of the hostile Fulah power in Sokoto and in the Emirates of Kano and the entire Northern Protectorate. The Charter of the Royal Niger Company was therefore cancelled in 1899, and on 1st January in the following year the administration was transferred to the Crown, the Company henceforth confining itself to trading operations. The Niger Coast Protectorate lost its official existence, and Nigeria was mapped out into two Protectorates—the Southern, from the Coast up to, roughly, the 7th parallel of N. lat., and the Northern, from that line to the curved Soudanese line from Ilo to Lake Chad. These were placed under the Colonial Office, and Mr. Chamberlain found a vast additional area placed under his hands, with one of the most remarkable aggregate of populations that the world contains. The debased Pagans of the Delta live in the lowest depths of savagery, while the Fulah Empire in the North, resting on the broad superstructure of Hausa docility, represents a level of civilization which is one of the surprises of modern African history.

On the one hand, Ju-Ju terrorism in the South had to be suppressed, as we have seen was the case within the Benin region. In the North, the Hausa population had to be freed from such Fulani oppression as was inconsistent with British ideas of equitable government. But this had to be done without coming into disastrous conflict with the Fulah power, which had its centre in Sokoto City, and was then a factor of unknown strength. The Slave Trade had to be ended, without touching the question of domestic institution, and thus producing a violent upheaval. Vast regions from the left bank of the Niger to Lake Chad were to be brought within the actual as distinct from the nominal administrative area. The Colonial Office has seldom had imposed upon it a group of questions of greater danger and delicacy than those thus accepted by Mr. Chamberlain. He obtained the advice of the best experts—Sir George Taubman-Goldie, the

ex-chairman of the Niger Company, and the maker of British Nigeria, who was taken into close consultation, and Colonel (now Sir) F. Lugard, who was sent out to organise the military forces on the Niger during the troubles with France, and was now made Commissioner of the Northern Protectorate. Mr. W. Wallace, C.M.G., who had been Sir George Taubman-Goldie's right-hand man in the days of the Chartered Company, and possessed an unrivalled knowledge of the politics and high Fulah personages of the country, was retained as political officer. Sir Ralph Moor, who had successfully administered the Delta strip, was made Commissioner for Southern Nigeria. In Lagos, whose affairs may be grouped with those of Nigeria, Mr. Chamberlain had the help of Sir William Macgregor as Governor; and in the Hinterland of this Colony, between the Dahomey boundary and the Illorin Emirate, there was much work to be done in setting up the machinery of British administration.

The necessity here, as throughout Nigeria, was to open out the trade routes to the interior, and in pursuance of this policy Mr. Chamberlain found it necessary in 1897 to authorise an expedition against the Jebus, which was successfully carried through. A more effective method was found in pushing forward a railway from Lagos to Abeokuta, thence to Ibadan, and thus towards the Niger. For this purpose Mr. Chamberlain included the sum of £792,500 in the Colonial Loans Act, 1899. On this project—on bridges from Lagos island to the mainland and on a tramway from Lagos to Iddo—the Colony has incurred an indebtedness with the Imperial authorities of £1,053,700, which will not cover the entire cost of the line to Ibadan and of the surveys beyond, but this expenditure is expected to be reproductive not only from commercial causes, but also from the lessened cost and greater security of interior administration.

Leaving the Colony of Lagos with an incidental allusion to an Imperial loan of £43,500 which Mr. Chamber-

lain secured for Harbour Works at Old Calabar, we come to the work done under the Colonial Secretary's direction in the two Nigerian Protectorates. Where civilisation and trade could not be pushed forward by Diplomacy, progress was necessarily conditioned by the amount of force locally available. In the South the West African Frontier force numbered 1000 men, with artillery, and in the North about 2500, with three batteries of artillery. The figures seem ludicrously small when the extent of the area for which we had become responsible is taken into account. But within little more than two years remarkable results have been accomplished through its agency. Fulani sovereignty, thanks to the courage and energy of Sir F. Lugard, and Mr. Chamberlain's steady support of him, even when it was thought he was incurring heavier risks than he ought, is everywhere at an end, and the Fulah aristocracy is now an instrument instead of an opponent of British policy.

In Southern Nigeria the untractable Aros, who had held a wide stretch of country between the Opobo and Cross rivers inviolate against the trader and the administrator alike, were subdued in 1901, after a brilliant and difficult campaign. Humanitarian rather than commercial motives were at the bottom of these operations, for Aro-Chuku, the chief town, was a pestiferous stronghold of Ju-Juism comparable with that which had been cleared out at Benin. The natives were thus finally freed from a system of terrorism which it was impossible to tolerate in any region under the British flag. In the Northern Protectorate administrative districts were carved out on the lines of the existing native States, and steady efforts made to extend the administrative system into the backlands from the rivers. Yola, the capital of Adamawa, a Kingdom lying on the left bank of the Benué, between the river and the German Cameroons, was the first important objective.

The only trade of the place was in slaves, in which the Emir did a large traffic on his own account, besides paying

a tribute of (it was reported) 10,000 slaves yearly to the head of the Fulah Empire at Sokoto. Though he had made a Treaty years before with Mr. Wallace, he would have nothing to do with the European interlopers. To the remonstrances of Sir F. Lugard he paid no heed, and in 1901 an expedition was sent up the river to bring him to reason. He fought gallantly outside his town, and again within it, but when the day was lost made good his escape. A Resident and a strong garrison were quartered in Yola, and slave-raiding in that region came to an end, an Emir amenable to British control being placed in nominal authority.

Across the river, in the very heart of Nigeria, similar results were achieved, the slave-dealing Emir of Bautshi being deposed, and a new Emir with a British Resident and garrison installed. Farther to the West lay the great province of Zaria, with a town second only in importance to Kano, and here also a garrison was stationed. The outposts of British authority had been placed on the main lines of communication with the cities of the North and were within 150 miles of Kano, the historic emporium of the Western Soudan. In 1903 the final blows were struck. Both Kano and Sokoto were taken by assault, and the Fulani dominion thus ended.

Meantime, however, the French had not observed the Northern frontier line with scrupulous care. Sir F. Lugard had found it impossible to get on good terms with the Hausa States there, and our rivals acted just as they chose, without regard to British sovereignty. They had, no doubt, serious difficulties to overcome, but that did not justify them in overriding their Treaty arrangements with us. The situation in brief was as follows: For some years Rabeh, a western Soudanese marauder of the type of Samory, had roamed about the neighbourhood of Lake Chad, raiding both in the French sphere and in Bornu. In 1900 he fell in action with the French, and his dying command to his son and successor, Fad-el-Allah,

was that the protection of the British should be sought, and that henceforth he should act under Sir F. Lugard's administration. Fad-el-Allah, hard pressed by the French, took refuge in Bornu, and made overtures to Sir F. Lugard—overtures cautiously received because of the inadvisability of allying ourselves with the enemy of a friendly Power.

The matter was committed to Mr. Wallace, who sent Major M'Clintock to see Fad-el-Allah, and report on the situation. Somewhat incautiously, Major M'Clintock, who was most favourably impressed by Fad-el-Allah, presented that Sovereign with a shot-gun, and this incident was magnified to the French as a liberal present of arms to be used against them. When, therefore, Major M'Clintock returned to headquarters in order to represent that Fad-el-Allah should be recognised as Emir of Bornu, the French forces fell upon Fad-el-Allah at Gujba, 150 miles within the British border, and annihilated his little army. Fad-el-Allah suffered the fate of his father, and, instead of the British finding themselves with a friendly Emir in Bornu, they learned that the French were in victorious occupation of that Province, which to us was almost a *terra incognita*.

An international situation of some gravity had thus been created by the local French officials. Their action was known to be in accord with the desires of the extreme Colonial party in France, who sought such a rectification of the frontier under the Convention as would give France the Sultanate of Bornu and the whole of the Western shores of Lake Chad. This claim was not, however, sanctioned by the Quai d'Orsay, nor was it one that we could admit, particularly after the invasion of our Sphere, for which the only possible excuse was that we had not effectively occupied it, and had left it as an asylum for a redoubtable enemy of France.

The precise part Mr. Chamberlain played when these facts became known does not appear; the Foreign Office and the Colonial Office have been singularly silent upon

the subject, as indeed they always have been upon Nigerian questions; but his views and action may be inferred from the fact that arrangements were pushed forward with France for the despatch of a Joint Commission for the formal delimitation of the frontier as defined by the Convention of 1898. Colonel G. S. Elliott was the chief British member of the Commission and Captain Mohl—a distinguished name in West Africa—of the French. But in order to secure the safety of the Commission on its way to the scene of its labours and while it was at work, it was necessary that forces should be moved from Zaria, and that the vast region North, West, and East of that town should be rendered British in fact as well as in name.

Mr. Chamberlain, engrossed in South African affairs, and being on the point of sailing for Durban, necessarily had to leave the matter, so far as the Colonial Office was concerned, in the hands of Lord Onslow, as acting Secretary of State for the Colonies. Sir F. Lugard failed to take the Colonial Office sufficiently into his confidence. He acted, apparently, on the assumption that previous Despatches of his had convinced his superiors that the Emir of Kano at least would have to be deposed, and he believed that he had a free hand to accomplish this purpose and take whatever other steps he thought to be prudent for the incorporation of Sokoto and its feudatory Emirates into the administrative system of Northern Nigeria. He left the Government to learn from the newspapers that the manner in which he intended to secure the safety of the frontier Commissioners was, in the first place, to overturn the hostile Emir of Kano, and that he had massed the Protectorate forces at Zaria for that purpose.

When Lord Onslow asked whether this news was true, Sir F. Lugard had to admit that it was; but he made out so strong a case for offensive action—and there seems no doubt that the Emir had long prepared for aggression on his own account—that Lord Onslow could not but authorise the Expedition, though he strongly deprecated warfare in

West Africa if it could, by any measures of Diplomacy, be avoided, and he complained, not without good reason, that Sir F. Lugard had not kept the Government more fully informed. As the Despatch formulating British policy and rebuking the High Commissioner was not Mr. Chamberlain's production, we may leave the controversial aspects of the subject at this point. The Expedition under the leadership of Colonel Morland marched upon Kano at the end of January 1903 and on 3rd February, stormed the city, which was held by 5000 foot and 500 horsemen. The Emir, with 1000 cavalry, had withdrawn and made his way to Sokoto, there, no doubt, to make common cause with the new Sultan. Once the walls were carried by the assault, there was little fighting; and Sir F. Lugard's forecast that the Hausas in the city would desert their Fulani masters and welcome the British advent was justified by events.

Thus the great commercial city of the Western Soudan—the starting point of the caravan routes across the Continent to the north and east—fell under British control. An Emir favourable to the new administration was installed, a residence and garrison stationed in the city, and authority exercised therefrom over a wide area hitherto closed against us. Colonel Morland then led the column against Sokoto, which was occupied on 15th March after a feeble resistance. The Expedition thus broke down the last important barrier to British ascendancy from the coast to the French desert area. With a force of less than 1000 strong Sir F. Lugard had done much more than it was expected he would be able to do. In spite of occasional disorders, the fear of a Mohammedan movement which would sweep back the whites into the Delta need no longer be entertained. Mr. Chamberlain, who never stints his subordinates of praise, spoke of this achievement in terms of fitting generosity, and the messages sent from the Colonial Office doubtless made amends for the public remonstrance which Lord Onslow had administered to the High Commissioner.

If this record does not include minor events in West Africa, such as Sir George Denton's disposal of the chief Fodi-Kabbah in conjunction with the French in the Gambia River region, and the countless administrative questions which have arisen in the various West Coast Colonies, enough has doubtless been said to indicate the magnitude of Mr. Chamberlain's work in this part of the Empire, the vigour, the strength of will, and the liberal ideas which have characterised his policy. The survey should not, however, be closed without a reference to his efforts to improve the sanitary and other conditions of life for Europeans.

The slow progress of these Colonies, as, indeed, of those in every Tropical region, is attributable to a climate which takes a heavy toll of European life, and, where it does not kill, saps the intellectual vigour of those who brave its dangers. The problem of Government is essentially one of health, and to Mr. Chamberlain credit is due for having realised that the sanitary conditions must be improved if development is to be hastened in administrative and in commercial affairs. The degree of progress depends upon the number and quality of the white men, whether officials or private adventurers, who can be attracted to the region; and this is a factor of even more importance than the influx of British capital. As a rule, men who can make a good career elsewhere avoid those parts of the Empire where disease and premature death are probable contingencies. There have been, and are, many brilliant exceptions to the rule—exceptions due to ambition for fame or gain, to the fascination that Tropical Africa possesses for a certain type of mind, and to an overmastering intellectual interest in the problems of race and government which West Africa presents for solution to the European.

Apart from purely administrative action, the Colonial Secretary accorded warm support to the investigation of the causes of malaria. To exterminate the mosquito is

a formidable undertaking, and whoever has suffered from the pest in the primeval swamps of the Tropics may well despair of success, and doubt whether, even if the last mosquito were destroyed, malaria would cease; for to turn over the soil may alone bring on an attack. But Major Ross seems to have demonstrated beyond doubt that it is possible to diminish the plague by protective measures against the particular variety of insect (*Anopheles*) proved guilty of disseminating malaria; and his work and that of the Tropical School of Medicine in Liverpool have had no more sympathetic and helpful supporter than the Colonial Secretary. In connection with the Seaman's Hospital at Greenwich also Mr. Chamberlain has been instrumental in establishing a school for the study of Tropical Diseases, and in conjunction with Mrs. Chamberlain has allied himself with the scheme of Mrs. Francis Pigott which has grown into the Colonial Nursing Association.

These measures, however, touch but the fringe of the great problem of health in West Africa. Other Colonial Secretaries may have time and energy to deal with it on a comprehensive scale, perhaps as an essential part of a scheme of administrative consolidation, whereby our West African Possessions may be placed under a Governor-General, with a Sanitary Commissioner authorised to exact from each Colony conformity with hygienic principles. Of one thing we may be reasonably certain: we shall not henceforth stand still in West Africa. Though Mr. Chamberlain has given a marked impetus to civilisation there, and has accepted territorial and other burdens which are tenfold what the Colonial Office had to bear before he went to Downing Street, he has left to his successor a greater task—that of consolidating Peace within frontiers now definitively settled and of justifying optimism as to the future of these vast estates. Hereafter it may be necessary to reorganise the Governments of the region on the lines of the Indian system, with a Governor-General who shall impose upon each Possession principles common to all,

and shall control local administrative expenditure. That, however, may or may not be. What is self-evident, in view of the growing financial obligations of the Empire, is that West Africa must be made to pay its way.

The cardinal point of Mr. Chamberlain's policy was that the neglected estates of the Empire are worth developing as a matter of Imperial business, apart from responsibilities of ownership and political sentiment. So far as West Africa is concerned, his work may thus far be described as clearing the ground. Development has been made practicable by the establishment of the *Pax Britannica* throughout our West African domain. Cultivation has begun, and it is now for Mr. Chamberlain's successors to proceed with it until the policy is justified by its fruits. If there is good cause for optimism, there is also some excuse for despondency. Tropical Colonies are ever alternating between uncertain prosperity and almost hopeless depression. It may even be doubted whether the English people, in spite of their belief that no other race is comparable with them in the art of Government in climates and amid peoples where the white man deteriorates and dies, have quite mastered the right way in which Tropical Possessions should be managed so as to become continuously self-supporting. Though the lesson has been learned in India, it certainly has not been applied in other regions of the Empire. At present the outlook is promising; and that anything so novel can truthfully be said about West Africa is perhaps the best comment upon Mr. Chamberlain's labours in that region.

It should be added that some interesting and instructive figures are contained in the second volume of the Annual Statement of the Trade of the United Kingdom with Foreign Countries and British Possessions, in which the results of the year 1902 are compared with those of 1898, 1899, 1900, and 1901.

GAMBIA. — The value of our Imports in 1898 was £54,229; in 1899 it was £30,597; in 1900 it was £22,372;

in 1901 it was £24,624; and in 1902 it was £18,589. The value of our Exports in 1898 was £69,510; in 1899 it was £70,194; in 1900 it was £77,798; in 1901 it was £58,294; and in 1902 it was £93,865.

SIERRA LEONE.—The value of our Imports in 1898 was £124,523; in 1899 it was £150,960; in 1900 it was £138,258; in 1901 it was £127,909; and in 1902 it was £129,426. The value of our Exports in 1898 was £258,818; in 1899 it was £336,705; in 1900 it was £282,568; in 1901 it was £308,719; and in 1902 it was £349,402.

GOLD COAST.—The value of our Imports in 1898 was £666,455; in 1899 it was £706,047; in 1900 it was £621,045; in 1901 it was £373,168; and in 1902 it was £298,387. The value of our Exports in 1898 was £487,456; in 1899 it was £615,738; in 1900 it was £576,456; in 1901 it was £855,438; and in 1902 it was £1,029,236.

LAGOS.—The value of our Imports in 1898 was £1,129,533; in 1899 it was £1,333,646; in 1900 it was £367,631; in 1901 it was £264,257; and in 1902 it was £380,866. The value of our Exports in 1898 was £528,586; in 1899 it was £485,577; in 1900 it was £530,166; in 1901 it was £473,447; in 1902 it was £574,263.

NIGER PROTECTORATE.—The value of our Imports in 1898 was £377,545; in 1899 it was £406,696; in 1900 it was £987,717; in 1901 it was £1,164,622; and in 1902 it was £1,164,303. The value of our Exports in 1898 was £628,075; in 1899 it was £607,866; in 1900 it was £681,161; in 1901 it was £651,421; and in 1902 it was £690,720.

The value of the Exports to these Colonies from other countries than the United Kingdom in 1902 was as follows: Gambia, £6,813; Sierra Leone, £25,242; Gold Coast, £145,000; Lagos, £37,468; Niger Protectorate, £138,784.

To appreciate the significance of these statistics it is, of course, necessary to compare the variations in the Trade totals with the political and military conditions which were in the course of development, between 1898 and 1902.

UNIONIST MINISTERS

During almost the whole of the period from 1886-1902 Lord Salisbury was Prime Minister, and on his retirement he was succeeded in 1902 by his nephew, Arthur James Balfour (born 1848). Mr. Balfour's younger brother, Gerald William Balfour (born 1853), went to the Irish office in 1895, and became President of the Board of Trade in 1900. Henry Charles Keith Petty-Fitzmaurice, fifth Marquis of Lansdowne (born 1845), Secretary for War in 1895-1900 and Foreign Secretary since 1900, is a Liberal Unionist. The Chief Secretary for Ireland, George Wyndham (born 1863), is a great grandson of Lord Edward Fitzgerald.

UNIONIST MINISTERS



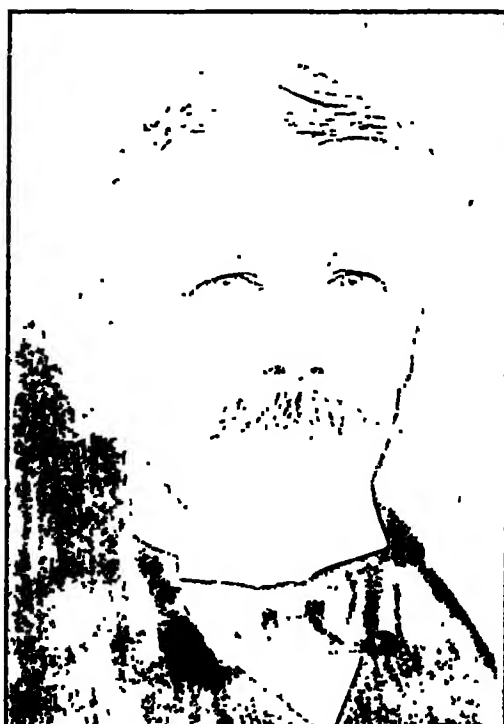
RT. HON. A. J. BALFOUR

Stereoscopic



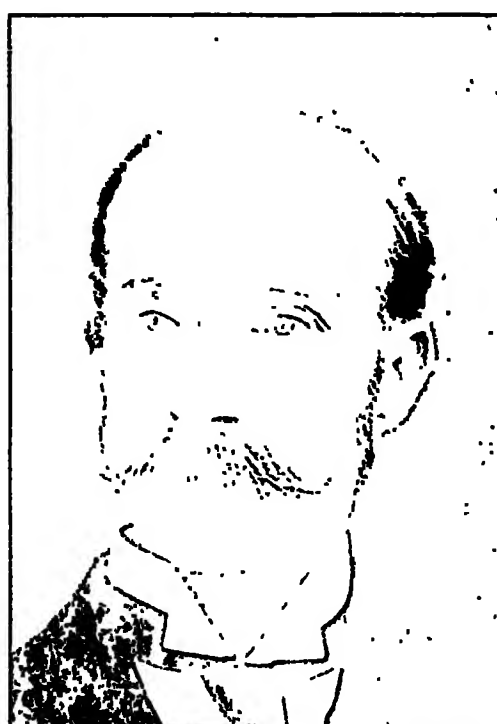
RT. HON. G. W. BALFOUR

Lafayette



RT. HON. GEORGE WYNDHAM

Beresford



MARQUIS OF LANSDOWNE

Stereoscopic

CHAPTER XVII

DOWNING STREET PROBLEMS

A century hence, the historian of the British Empire, conforming to the perspective of accomplished facts, will, perhaps, devote as much space to the pacific struggle that resulted in the Australian Commonwealth Act of 1900 as to the sanguinary scramblings of the South African War. The idea of Federation was half a century old before Mr. Chamberlain helped to give it practical shape. It was embodied by Earl Grey in the abortive Constitution Bill of 1850; but neither then, nor for many years after, was Australian or English opinion ripe for so bold a proposal. Though the project was never dropped, it lay practically dormant till 1889, when Sir Henry Parkes, Premier of New South Wales, convoked a National Convention to discuss a scheme of Federal Government. In the following year an Inter-colonial Conference was held at Melbourne, which approved the principle: in 1891 a similar body, meeting at Sydney, framed a draft Constitution. But not till 1894 was any definite progress achieved. In that year a Conference of Australian Premiers, summoned by Mr. Reid of New South Wales, and held at Hobart, adopted an "Enabling Bill" which gave New Zealand the option of joining the movement. Eventually, a Bill was framed which was submitted to the popular vote in New South Wales, Victoria, Tasmania, and South Australia, and in each of these States obtained a majority—though it was only a narrow one in the very Colony whose Statesmen had been most active

in promoting the cause. In 1899 an amended Bill was put to a similar test. Though opinion was still divided in New South Wales, the majority had largely increased, but in Queensland the two Parties were nearly equal, while in Victoria, Queensland, and Tasmania the adverse minority was inconsiderable.

The question had now come within the range of practical politics, nor is it necessary to discuss the Inter-colonial rivalries and the fiscal difficulties which had previously delayed its progress. It was in obedience to a clear mandate from the Australian States (New Zealand still stood out, but Western Australia came in) that Mr. Chamberlain introduced his Commonwealth Bill on 14th May 1900. "We have got (he said) to a point in our relations with our Self-Governing Colonies when, I think, we recognise once for all that our relations with them depend entirely upon their free-will and absolute consent. The links between us at the present time are very slender; almost a touch might snap them; but slender and slight as they are—although we hope they will become stronger—still, if they are felt irksome by any one of our great Colonies, we shall not attempt to force them to wear them."

Mr. Chamberlain's faith in personal intercourse as the best means of reconciling conflicts of opinion was once more exemplified. When the text of the Bill, as endorsed by the Referendum in Australia, was sent to England, with the Addresses praying the Crown to enact a measure of Federation, Mr. Chamberlain had requested that Delegates should be authorised to visit this country and confer with himself and the Law Officers of the Crown. In accordance with this suggestion the representatives appointed by the Colonies—Mr. (now Sir) E. Barton by New South Wales, Mr. Kingston by South Australia, Mr. Deakin by Victoria, Dr. Dickson by Queensland, and Sir Philip Fysh by Tasmania—threshed out all preliminary matters in Downing Street; and when the Bill came before

the House of Commons there was but one important point remaining unsettled. This was Clause 74, which provided that "no appeal shall be permitted to the Queen in Council on any matter involving the interpretation of the Constitution or of a Constitution of a State unless the public interest of some part of Her Majesty's Dominions other than the Commonwealth or a State are involved." Save as thus provided, the prerogative to hear appeals as of grace was to be unimpaired, but the Parliament of the Commonwealth might make laws limiting the matters in which special leave could be asked.

The point is concisely stated by Professor Harrison Moore in *The Commonwealth of Australia* (John Murray):—

"The objections to these provisions were obvious. The questions withdrawn from the Queen in Council were precisely those on which, in the words of the Law Officers, 'the Queen in Council has been able to render most valuable service to the administration of law in the Colonies, and questions of this kind, which may sometimes involve a good deal of local feeling, are the last that should be withdrawn from a Tribunal of Appeal, with regard to which there could not be even a suspicion of prepossession.' The provisions of the section safeguarding the Appeal where the 'public interests' of other parts of Her Majesty's dominions were concerned, were vague and uncertain; and the Commonwealth was receiving extended powers of legislation which might well affect places and interests outside Australia. Finally, the Law Officers urged that 'the retention of the prerogative to allow an Appeal to Her Majesty in Council would accomplish the great desire of Her Majesty's subjects both in England and in Australia, that the bonds which now unite them may be strengthened rather than severed, and by ensuring uniform interpretation of the law throughout the Empire, facilitate that unity of action for the common interests

which will lead to a real federation of the Empire.' The Delegates held that the Clause was part of the Federal Agreement which had twice received the approval of the people of the Colonies; that an Amendment would make the Constitution no longer the very instrument which the people had accepted, and cited the declaration of Mr. Reid that 'there will be no safety or security for Australian Union until it is known that the Bill that Australia has drafted for the Imperial Parliament to pass word for word is passed by that august Tribunal word for word.' Finally they urged that while the real links of Empire were the consciousness of kinship and a common sense of duty, the pride of race and history, the cause of Imperial Unity would not be aided by putting in apparent conflict the Federation of Australia and Imperial Federation."

This passage brings into clear relief the rock upon which it was feared that the Bill might be wrecked. Mr. Chamberlain was unable to accept the view of the case put forward by Mr. Reid, or to agree that, in assenting to the Bill on the Referendum, the voters of Australia wished to prevent the Imperial Legislature from amending the Clauses. One of the links of the chain which held the Colonies to the Mother Country was the right of appeal to the Queen in Council, and in the larger interests of Australia and the Empire he felt bound to propose a modification of Clause 74. As it stood it would lead to conflict between the Privy Council and the High Court of Australia; nothing could be worse than to have concurrent Courts giving contradictory decisions within the Empire. There was danger also that decisions of a Colonial Court might bring about complications with Foreign Powers, and on such a matter the Imperial Court of Appeal ought to have something to say.

Mr. Chamberlain's way out of the difficulty, pending the amalgamation of the Judicial Committee of the Privy Council with the appellate jurisdiction of the House of Lords, was to appoint representatives from Australia,

Canada, India, and South Africa, on the Privy Council for a term of seven years, which might be renewable. These four Judges would act also as Lords of Appeal, and would enjoy life peerages. A Bill to this effect would be introduced into the Upper House. In spite of the objection that this Amendment to Clause 74 would be considered an open rebuff to the Australian people, Mr. Chamberlain, on moving the Second Reading of the Bill on 21st May, was able to announce, amid the loud cheers of the House, that an absolute settlement had been reached with the Delegates. He had not altered his views, but, "in accordance with the principles to which we are committed, we cannot interfere where exclusively Australian interests are concerned." It had been agreed with the Delegates that, in all cases in which other than Australian questions were concerned, the right of appeal to the Crown should be fully maintained, while purely Australian questions, such as differences between two States or a State and the Federal Parliament arising out of the interpretation of the Measure, would be decided by the Australian High Court unless both parties agreed to refer the point in dispute to the Privy Council.

The terms of this Amendment turned Clause 74 inside out. As it had stood, there was to be no appeal to the Privy Council, except in cases where the public interests of some portion of the Dominions of the Crown outside Australia were concerned, while the new Clause allowed appeal in every case except where Australian interests alone were affected; and there was a provision that any legislation by the Commonwealth restricting the right to appeal should be subject to ratification by the Crown. The Colonial Laws Validity Act was still to apply to the enactments of the Federated Colonies. It is true that the previous right of appeal to the Crown has been in some degree impaired, and that, on that account, the Act has been unfavourably criticised by high Constitutional authorities; but the dangers they foretold have not yet been

experienced. It may be admitted that the existing compromise cannot be permanently maintained. Already its defects have been revealed (and magnified, of course, by judicial pedantry),¹ but it has served its immediate political purpose. Had it not been for the concession with which

¹ Justifiable indignation was aroused in New Zealand by the terms in which judgment was given by the Judicial Committee of the Privy Council in the case of *Wallis v. Solicitor General for New Zealand*. The facts are set out by a learned and impartial writer in the *Juridical Review* (Sept. 1903).—"The view taken by the New Zealand Court of Appeal was that a certain piece of land in the colony, which had been granted by the Crown in 1850 for the support and maintenance of a school then intended to be established, was part of the demesne lands of the Crown; that the grant had been made for a limited and specific purpose, which had admittedly become impossible of performance; that the consideration for the grant had failed; and that the land had therefore reverted to the Crown. The Privy Council reversed this decision: they held that the land really belonged to a tribe of aboriginal natives; that they intended it to be devoted to charitable purposes, the general nature of which was to be extracted from vague expressions contained in a letter addressed by them to the Governor; that they were the real donors and founders of the charity, the Crown grant being a mere piece of conveyancing; and that as they had expressed a general charitable intention, the property ought to be administered *cy-près*. Unfortunately the acquaintance of the Privy Council with the history and legislation of the colony appears to have been somewhat superficial, for their lordships do not even refer to the ordinances and other legislative acts—made before the Crown grant of 1850—which converted the lands held by the natives into demesne lands of the Crown, and made it illegal for the natives to alienate them. These ordinances are printed in the Judges' protest, and seem fully to justify the conclusion of the New Zealand Court of Appeal that in the *Wallis* case the land belonged to the Crown, and that the rights of the natives in respect of it were matters of treaty between them and the Crown, and therefore not cognizable in courts of law." But this is not the place to discuss the legal bearings of a difficult case, nor does it much matter whether the Colonial Court were right or wrong in the decision that was over-ruled in London. The important and unfortunate thing was that the Privy Council judgment accused the New Zealand Judges of having treated the argument of the Colonial Government with "extreme deference," and a solemn lecture was delivered on the subject. "What," it was asked in a fine burst of judicial irrelevance, "has the Court to do with the Executive? Where there is a suit properly constructed, and ripe for decision, why should justice be denied or delayed at the bidding of the Executive? Why should the Executive Government take upon itself to instruct the Court in the discharge of its proper functions?" This imputation, equally offensive and unfounded, was warmly resented in the Colony, and a formal protest was made by the Judges so unwarrantably assailed. The matter was smoothed over for the time by Lord Halsbury, who, as Lord Chancellor, declared that "it had never occurred to any of the learned Judges (of the Judicial Committee) that in the observations they thought right to make they were making an attack on the Court of Appeal in New Zealand, or that they intended in any way to comment on the character or conduct of the proceedings." Then what did they think they were doing? As the writer in the *Juridical Review* remarks, no one need feel surprised if the incident leads to a revival of the movement for abolishing appeals to the Privy Council from the Australian Colonies.

Mr. Chamberlain purchased the assent of the Delegates they would certainly have insisted on the original Clause, and the Bill would have been lost—perhaps shelved for an indefinite period. As modified, it was found to be in harmony with the prevailing body of opinion at home and in the Colonies, and it passed its Third Reading in the House of Commons on 25th June. In the House of Lords Lord Carrington, who had been Governor of New South Wales, attacked Mr. Chamberlain's Amendment as a surrender to uninstructed opinion, but the Bill passed through its stages and received the Royal Assent without further difficulty.

In the words of the Colonial Secretary—who had combined a reasonable amount of firmness with a readiness to compromise on what was non-essential—the Commonwealth Act marked “a great and important step in the organisation of the British Empire.” The Commonwealth, with the Earl of Hopetoun as the first Governor-General, was inaugurated by the Duke of York, now Prince of Wales, on the first day of the new century. So far, it must be confessed, the most visible result of the Act has been to develop friction. That, however, is the way of all Democracy—to clamour for Reform, and, when it has been granted, to pick holes in the gift. But that is also the manner in which defective Constitutions are gradually improved. We may call it, as we please, Popular Ingratitude, or, more amiably, Progressive Desire. But the grumblings which have been heard since the Act came into force show how wise Mr. Chamberlain was to take occasion by the forelock, and get the Bill passed at once. If a few months later public opinion had veered in New South Wales the whole scheme would have been killed; even if Queensland had turned restive the chances of the Measure might have been imperilled. Having been passed, it is not likely to be reversed. But it is by no means so certain that it would be carried this year or next year if it were brought up in Australia as a new proposal. The

controversy¹ which has already arisen between the Federal Government and the South Australian Ministry—on little more than a point of public etiquette—illustrates the difficulty of Constitution-making. The only practicable method is to lay down the general lines, and leave the details to be supplied afterwards by accumulating experience and—in this instance—by the self-adapting genius of the British race, which has always and everywhere been tolerant of anomalies that are not seriously inconvenient.

A brief reference must be made to Mr. Chamberlain's efforts to improve the political and social conditions of Newfoundland. Here he soon found himself in conflict with the local politicians. The Island is a Self-Governing Colony, and, acting on its undoubted rights, the Assembly, in the hope of averting public bankruptcy, had made a contract with Mr. Reid, of Montreal, by which he took over the railway lines and held the resources of Newfoundland in pawn, obtaining vast land concessions upon easy terms. The Governor, Sir H. H. Murray, declined to sign the contract, and asked Mr. Chamberlain what he should do. Mr. Chamberlain objected to the arrangement, and disclaimed any responsibility for it. He wrote a Despatch which exposed the improvidence of the bargain, but he was not prepared to disallow it. The Measure was not so "radically vicious as to reflect discredit on the Empire;" if the Colony insisted upon having it, it must be given its own way and put up with the consequences. Never had a Self-Governing Colony been so soundly rated, and there was a lively quarrel in the Island, in which the advocates of the contract used heated language about the Colonial Secretary.

¹ See "Correspondence respecting Constitutional Relations of the Australian Commonwealth and States in regard to External Affairs," published by the Colonial Office, May 1903. Another difficulty has since arisen in connection with the employment of Lascars on vessels carrying the Australian mails. The Federal Government were too weak to resist the dictation of the Labour Party, and attempted to influence the arrangements made by the Imperial Government. Mr. Chamberlain made very short work of this inordinate pretension.

When they afterwards asked him to send a Royal Commission to investigate the causes of the distress in the Island, which they attributed to the strained interpretation that the French laid on their Treaty rights—and when they showed a desire for relief from the Imperial Exchequer—Mr. Chamberlain pointed out that they had alienated the assets of the Colony, and their request for a Royal Commission was nothing but an appeal for financial aid.

“Such an application cannot for a moment be entertained, and I request that you [Sir H. H. Murray] will at once inform your Ministers that it is impossible for the Imperial Government to take any responsibility, or accord any financial assistance, in the case of a Self-Governing Colony which has had full control of its finance, and is solely responsible for its mismanagement.”

This was in 1897. The Colonists, however, rushed the contract through, and still pressed for the Commission. Having recovered from his annoyance at the Ministry's disregard of business principles, and having looked more deeply into the condition of the Island, he sent out Sir John Bramston and Sir James Erskine in 1898 as Royal Commissioners. Their Report has not been published; but, speaking at Wolverhampton shortly after their return, Mr. Chamberlain denounced the French policy in regard to the Treaty rights as “mischievous and deplorable,” and as “contrived to combine the maximum of annoyance and injury with the least possible advantages to its authors.” These remarks, it should be explained, were made at the time when France was indulging in that policy of “pin-pricks” which she has since abandoned.

“If France intends to continue to ignore the solemn obligations of an Agreement which was come to only eight years ago, I think, after all, she is the wrong party to put forward the sanctity of the obsolete provisions of an antiquated Treaty which is now something like two hundred years old. However, I put that aside, because, for the present, at any rate, nobody occupying a position of

responsibility ever expressed an intention, or even a wish, to evade or ignore in the slightest degree any provision of any Treaty to which we have set our hand. But we do claim, we do desire, that the rights which are conferred upon France by this Treaty should be strictly interpreted by her, and that they should not be extended and abused to the injury of our own pocket. Then, when these rights are reviewed with due and proper precautions, if they are found to have any value whatever to France—about which I think there is considerable doubt—or if the French think they have any value—then we should be perfectly willing either to observe them as they are, and to the letter, or else, if France is willing, to remove a constant source of irritation and arrange for their extinction on fair and reasonable terms of compensation.”

Since these words were spoken the grievance has become less acute, chiefly because of the decline of French fishing interests from economic causes. The Reid Contract has also been radically modified, and the Island is now fairly prosperous.

In the international aspect of certain Canadian questions, Mr. Chamberlain's influence has been felt by his Colleagues in the Cabinet, and by the Dominion Ministry, rather than seen by the public. He took a leading part in the personal and private interchange of views which ended the Venezuela-Guiana crisis of 1895, and has always kept in close touch with American Diplomats here. They have good reason to know that, eager as he is to promote something more than good feeling between the United States and ourselves, he is as keen a man at a bargain as they are themselves, and as stout a champion of Canadian rights as they would be if they stood in his place. The part he has played in relation to Anglo-American controversies has, of course, been informal and unofficial. It is known, however, that he cordially sympathised with Lord Salisbury's efforts, after the Venezuelan trouble had been tided over, to arrange a Treaty of General

Arbitration with the United States, and that he shared to the full the disappointment of the ex-Prime Minister and Lord Pauncefoot when the Washington Senate wrecked the scheme.

In spite of his somewhat effusive friendliness towards the United States, he has not stood upon ceremony in dealing with what he considered exorbitant pretensions. When, for example, the late Mr. Sherman, who was Foreign Secretary in the earlier part of the M'Kinley Administration, took advantage of a recrudescence of anti-British feeling in the States, to make a vigorous attack upon the Canadian sealing industry in the Behring Sea, Mr. Chamberlain handled the American arguments in a Despatch of remarkable energy and directness. The point of Mr. Sherman's complaint, urged in very unmannerly language, was that the British Government were evading the regulations of the Paris Arbitration Court as to pelagic sealing. Resenting the implied charge of bad faith, Lord Salisbury declined to reopen the question, whereupon Mr. Sherman arranged a Conference with Russia and Japan, which the British Government refused to join. His argument was that the herds were being destroyed by the Canadian sealers, but Mr. Chamberlain had little difficulty in showing that Mr. Sherman's real object was, not to prevent the extinction of the seal by Canadian fishers, but to destroy the Canadian industry in the interests of an American Company which aimed at getting a monopoly on the Pribyloff breeding grounds. The vigour of the communication addressed by the Colonial Secretary to the Foreign Office (1897) was sufficiently excused by the tone of the document to which it was a reply. Nor was it without a wholesome effect at Washington. Mr. Sherman, who was suffering from an illness that produced an unfortunate condition of irritability, was afterwards found to be somewhat deficient in the qualities that a Foreign Secretary should possess, and his retirement was arranged.

The relations between the two countries have been gradually improving—the exultation with which Continental nations watched the absurd quarrel about Venezuela had opened the eyes of Washington as well as of London. When certain European States proposed to intervene on behalf of Spain, and required the Americans to desist from warlike preparations, not only did the British Government refuse to join in this action, but they also intimated that, if coercion were attempted, our Navy would be used in defence of the United States. Though gratitude has nowhere been a characteristic of Democracy, American Statesmen were so far mindful of the service rendered to them that, in May 1898, it became possible to arrange for the appointment of the Joint High Commission of which the late Lord Herschell was Chairman.

It was hoped that this body might be able to dispose of the various Canadian questions referred to it. Nothing, however, was accomplished. A *modus vivendi* was afterwards drawn up with regard to the Alaskan boundary, and in February, 1903, the subject was committed to a mixed "Commission of Jurists." On the British side this arrangement was carried out by the appointment of the Lord Chief Justice (Lord Alverstone) to represent the Imperial Government, and of Sir Louis Jetté, and Mr. Aylesworth, K.C., on behalf of the Dominion—all three of them being "jurists of repute." Unfortunately, the Washington Government adopted a more elastic interpretation of the term, and nominated Mr. Elihu Root, Mr. Henry Cabot Lodge, and Mr. George Turner. Not a word could be said against the intellectual attainments or personal character of the American Commissioners, but, undoubtedly, they represented patriotic statesmanship rather than legal eminence, and from the beginning there was no hope that they would enter on the proposed discussion with even a semblance of impartiality. This was the more regrettable, as it was evident, on the facts already known, that the

United States had a strong *prima facie* case, one which might reasonably have been entrusted to a strictly professional tribunal. Both the Imperial and the Colonial Governments were greatly disappointed at the selection made by President Roosevelt, and in Canada public opinion was at once in favour of withdrawing from the arrangement. On the whole, however, it was judged more advisable to go on and reach, if possible, an adjustment of a tiresome controversy.

The long arguments, conducted on both sides with equal acumen and good temper, were scarcely intelligible to the general public, either British or American, and in this country, though not in Canada, the Award was awaited with somewhat languid interest. Before the text was officially published, it became known that on some points, at least, Lord Alverstone had been convinced that the United States were substantially in the right, while the two Canadian representatives had refused to sign the Award.

The Commissioners had been charged to consider the meaning and effect of the Treaties between Great Britain and Russia (1825) and between Russia and the United States (1867), and also any action of these Governments or their representatives which might tend to show the "original and effective understanding" (of the parties to these Treaties) in respect to the limits of their several territorial jurisdictions (under these Treaties). With respect to Articles III, IV, and V of the 1825 Treaty it was agreed that the Commissioners should consider and decide the following points:—

- "1. What is intended as the point of commencement of the line?
- "2. What channel is the Portland Channel?
- "3. What course should the line take from the point of commencement to the entrance to Portland Channel?
- "4. To what point on the 56th parallel is the line to be drawn from the head of the Portland Channel, and what course should it follow between these points?

"5. In extending the line of demarcation Northward from said point on the parallel of the 56th degree of North latitude, following the crest of the mountains situated parallel to the coast until its intersection with the 141st degree of longitude West of Greenwich, subject to the condition that if such line should anywhere exceed the distance of ten marine leagues from the ocean, then the boundary between the British and the Russian territory should be formed by a line parallel to the sinuosities of the coast, and distant therefrom not more than ten marine leagues, was it the intention and meaning of the said Convention of 1825 that there should remain in the exclusive possession of Russia a continuous fringe, or strip, of coast on the mainland, not exceeding ten marine leagues in width, separating the British possessions from the bays, ports, inlets, havens, and waters of the ocean, and extending from the said point on the 56th degree of latitude North to a point where such line of demarcation should intersect the 141st degree of longitude West of the meridian of Greenwich?

"6. If the foregoing question should be answered in the negative, and in the event of the summit of such mountains proving to be in places more than ten marine leagues from the coast, should the width of the *lisière* which was to belong to Russia be measured (1) from the mainland coast of the ocean, strictly so-called, along a line perpendicular thereto; or (2) was it the intention and meaning of the said Convention that where the mainland coast is indented by deep inlets forming part of the territorial waters of Russia, the width of the *lisière* was to be measured (a) from the line of the general direction of the mainland coast, or (b) from the line separating the waters of the ocean from the territorial waters of Russia, or (c) from the heads of the aforesaid inlets?"

The official Award was as follows:—

"1. The Tribunal unanimously agrees that the point of commencement of the line is Cape Muzon.

"2. The Tribunal unanimously agrees that the Portland Channel is the Channel which runs from about 55° 56' N.L., and passes to the North of Pearse, and Wales Islands.

"A majority of the Tribunal, that is to say, Lord Alverstone, Mr. Root, Mr. Lodge, and Mr. Turner, decides that the Portland Channel, after passing to the North of Wales Island, is the Channel between Wales Island and Sitklan Island, called Tongass Channel. The Portland Channel above-mentioned is marked throughout its length by a dotted red line from the point B to the point marked C on the map signed in duplicate by the members of the Tribunal at the time of signing their decision.

"3. A majority of the Tribunal, that is to say, Lord Alverstone, Mr. Root, Mr. Lodge, and Mr. Turner, decides that the course of the line

from the point of commencement, to the entrance to Portland Channel, is the line marked AB in red on the aforesaid map.

"4. A majority of the Tribunal, that is to say, Lord Alverstone, Mr. Root, Mr. Lodge, and Mr. Turner, decides that the point to which the line is to be drawn, from the head of the Portland Channel, is the point on the 56th parallel of latitude marked B, on the aforesaid map, and the course which the line should follow, is drawn from C to D, on the aforesaid map.

"5. A majority of the Tribunal, that is to say, Lord Alverstone, Mr. Root, Mr. Lodge, and Mr. Turner, decides that the answer to the above question is in the affirmative.

"6. Question Five having been answered in the affirmative, Question Six requires no answer.

"7. A majority of the Tribunal, that is to say, Lord Alverstone, Mr. Root, Mr. Lodge, and Mr. Turner, decides that the mountains marked S on the aforesaid map are the mountains referred to as situated parallel to the coast, on that part of the coast where such mountains, marked S, are situated, and that between the points marked P (mountain marked S 8000) on the North and the point marked T (mountain marked S 7950), in the absence of further survey the evidence is not sufficient to enable the Tribunal to say which are the mountains parallel to the coast within the meaning of the Treaty."

Substantially, this was a victory for the United States, nor was the effect of the decision impaired by the formal protest made by the Canadian members of the Commission. They stated their reasons for dissent in a carefully argued Memorandum published at the same time as the Award:—

"The decision of the Alaska Boundary Tribunal has been given, and, in view of its character, the people of Canada are, in our judgment, entitled to such an explanation from us as will enable them to comprehend fully the manner in which their interests have been dealt with. We take up the points of the decision in the order in which they are presented by the Treaty under which the Tribunal was constituted.

"FIRST.—PORTLAND CANAL

"There are two channels parallel to each other, with four islands lying between them. The Canadian contention was that the Northern channel should be adopted. The United States contended for the Southern channel. If the Canadians succeeded it would give to Canada the four islands, which lie opposite the Southern shore of Observatory Inlet and the harbour of Port Simpson. If the United States succeeded,

it would give them these four islands. The islands are named, in order as they run from the sea inward, Kannaghunut, Sitklan, Wales, and Pearse Islands.

"When the members of the Tribunal met after the argument and considered this question, the view of the three British Commissioners was that the Canadian contention was absolutely unanswerable. A Memorandum was prepared and read to the Commissioners embodying our views, and showing it to be beyond dispute that the Canadian contention upon this branch of the case should prevail, and that the boundary line should run to the Northward of the four islands named, thus giving them to Canada. Notwithstanding these facts, the members of the Tribunal, other than ourselves, have now signed an award giving the two islands of Kannaghunut and Sitklan to the United States. These two islands are the outermost of the four. They command the entrance to Portland Channel, to Observatory Inlet and the ocean passage to Port Simpson. Their loss wholly destroys the strategic value to Canada of Wales and Pearse Islands.

"There is, in our opinion, no process of reasoning whereby the line thus decided upon by the Tribunal can be justified. It was never suggested by Counsel in the course of the argument that such a line was possible. Either the four islands belong to Canada or they belong to the United States. In the Award Lord Alverstone agrees with the United States Commissioners that the islands should be divided, giving the two which possess strategic value to the United States.

"SECOND.—THE LINE NORTHWARD FROM PORTLAND CHANNEL

"Substantially, the Canadian contention as to this line was that there were mountains parallel to the coast within the meaning of the Treaty of 1825, and that the tops of such mountains should be declared the boundary, the mountains nearest the sea being taken. The United States contention was that there were no mountains parallel to the coast within the meaning of the Treaty, and that the boundary line, therefore, must be fixed under the provision of the original Treaty relating to ten leagues, or thirty-five miles, and so be run at a distance of thirty-five miles from the shore, including in the term 'shore' the heads of all inlets, bays, &c.

"The Tribunal finds that the Canadian contention is correct as to the existence of mountains within the terms of the Treaty. But the fruits of victory are taken from Canada by fixing as the mountain line a row of mountains so far from the coast as to give the United States substantially nearly all of the territory in dispute. Around the head of Lynn Canal the line will follow the watershed somewhat in accordance with the present provisional boundary.

"We are of opinion that the mountain line traced by Mr. King, the

Dominion Astronomer, along the coast should have been adopted, at least as far as the shores of Lynn Canal. If effect were given to the contention that Great Britain had, by acquiescence in adverse occupation, deprived herself of her right to claim the head of Lynn Canal, we should have regarded such a conclusion as, perhaps, open to reasonable justification. No such position can, however, be taken regarding the inlets lower down the coast.

“Mr. King’s line running along the coast to Lynn Canal, and a line thence drawn around the head of Lynn Canal following the watershed, would have given Canada the heads of the lower inlets, with at least one fine harbour from which easy access to the interior Atlin and Yukon country could have been had. It would not, so far as we have been made aware, have taken any territory ever actually occupied by United States citizens; it would have given the United States the whole of Lynn Canal, including Skagway and Dyea and Pyramid Harbour, and it would have been, we think, reasonably satisfactory to Canada.

“Instead of taking the coast line of mountains, a line of mountains has been chosen far back from the coast, clearing completely all bays, inlets, and means of access to the sea, and giving the United States a complete land barrier between Canada and the sea, from Portland Canal to Mount St. Elias.

“We have not been able to derive any understanding from our colleagues upon the Commission as to the principle upon which they have selected their line of mountains, and our observation of the discussions which have resulted in the settlement of this line has led us to the conclusion that, instead of resting upon any intelligible principle, the choice of this line has been a compromise between opposing and entirely irreconcilable views of the true meaning of the original Treaty. The result of this compromise has, we think, been a distinct sacrifice of the interests of Canada. When it was shown that there were mountains parallel to the coast within the meaning of the Treaty, the only logical course in our judgment was to adopt as the boundary the mountains in the immediate vicinity of the coast.

“THIRD:—

“As to the general question of the inlets, the Tribunal finds against the contention of Canada:—

“We are both strongly of the opinion that this conclusion is wrong, and we have put upon record at length the reasons for our view in this respect.

“FINALLY:—

“If the six members of the Tribunal had each given an individual judicial decision on each of the questions submitted, we should have conceived it our duty, under the Treaty of 1903, however much we might have differed from our colleagues, to have joined in signing the

document which constituted the official record of the answers. We do not consider the finding of the Tribunal as to the islands at the entrance to Portland Channel, or as to the mountain line, a judicial one, and we have, therefore, declined to be parties to the award.

"Our position during the Conferences of the Tribunal has been an unfortunate one. We have been in entire accord between ourselves, and have, severally and jointly, urged our views as strongly as we were able; but we have been compelled to witness the sacrifice of the interests of Canada, powerless to prevent it, though satisfied that the course the majority determined to pursue in respect to the matters above specially referred to ignored the just rights of Canada."

The considerations by which Lord Alverstone had been guided were subsequently set out, and most impartial commentators will admit that it would have been difficult for a lawyer, acting simply on legal grounds, to reach a different conclusion. In a speech at the Guildhall on November 9th, he indignantly repudiated the suggestion that any other motives could operate with an English Judge; and the charge, which should never have been brought forward, that he had been influenced by the desire of the Imperial Government to please Washington at the expense of the Dominion, has since been dropt.

But the irritation in Canada was, for the moment, intense, and the Premier, Sir Wilfrid Laurier, went so far as to suggest that the Dominion would ask for the power of negotiating with Foreign Powers on its own account. This, probably, was mere patriotic *blague*. To press such a claim would be to demand Independence, and in a very few years an independent Canada would have to face the alternatives of fighting the United States or being peacefully absorbed.

It should be added that, on further consideration, the points decided in favour of the Dominion are recognised as being more important than they were at first regarded by the patriotic sentiment of the Colonists, and some of the military experts in the Colony are satisfied with the strategical position which has been created by the Award.

The political affairs of Malta have occupied an amount of the Colonial Secretary's time absurdly out of proportion to their intrinsic importance. But the story is worth telling at some length, because it is amusing, and also because it illustrates the number and complexity of the duties which have to be performed by a Colonial Secretary who has his heart in his work. The Island is administered by a Legislative Council consisting of six Official and thirteen Elected Members—subject to the Governor's Veto. The Italian or semi-Italian element in a very mixed population have developed a marked aptitude for the methods of advanced Democracy, and have long clamoured for complete Self-Government—an indulgence which it is quite impossible to concede to a Colony which is only retained as a Military Fortress. In 1898 the Council refused to sanction the use of the English language in the Courts of Law. In order to carry out this necessary Measure, it was decided in 1899 to issue an Order in Council, and to proclaim that after 1914 English would be substituted for Italian in all legal proceedings. This would inflict no practical grievance, since almost universally the Italian-speaking inhabitants were well acquainted with English. But it was made the lever for quite a serious little agitation.

Dr. F. Mizzi and Mr. S. Cachia Zammit were sent over to London to urge the "claims and grievances of the Maltese." The account of their interview with Mr. Chamberlain, given in a Blue-book published in July 1901, is very quaint reading. The Delegates complained that it was difficult to turn their statement from Italian into English. "It is so different to our mode of expression because we are expansive and coloured!" Nevertheless, Mr. Chamberlain assured them that they had put their views quite clearly. As to the proposed substitution of English for Italian in 1914, he told them that the decision would only be carried into effect if it should turn out, as he believed it would, that by that time English had become the language of the great majority of the people. The

demand that the Council should have complete authority in legislation, taxation, and expenditure was, he remarked, "a good deal to ask for in a Fortress!" With reference to the action of the Council in refusing to undertake certain necessary drainage works—which had, therefore, to be done under an Order in Council—he hoped that under no circumstances would he be again compelled to send Orders in Council. "I do not want to do it," he said.

Mr. Cachia Zammit.—You said it yourself "with regret"; I have read it: that is so.

Dr. Mizzi.—But, sir, why do not the officials put before your eyes the true state of these things? Why did they not tell you that our question was not of raising the taxes, but was only to get a few weeks to have the honest consent of the electors. They should have done it. You mentioned about the electorate. Sir, I wish to be clear about that. I do not propose that those who have already a vote should be deprived of the vote, but for the future no one should have the vote if he is illiterate, with the intention of compelling fathers indirectly, if not obligingly, to send their children to school. I think that if to the illiterate electors you say, "You have a vote by chance, but your children will not have it if they are illiterate," it will oblige them indirectly to send their children to school. It is in that sense I have spoken, and I think it is not a bad thing. You mentioned some other things, but not to take up too much time, perhaps, you would allow me to make a response in writing.

Mr. Chamberlain.—Yes.

Dr. Missi.—I will not trouble you too much now, but there are so many details, sir, that change altogether the circumstances. I must add to you that this distinct question of the drainage has been spoken of for ten years, and in these ten years there was money available, and the Governor did not do the drainage works. He is compelled now only for a political purpose, and they succeeded

to a certain degree because we have an Order in Council for what we would have done ourselves. But never mind—only they did not succeed in this—they thought they would have compromised us with our constituents; they acted as if the Maltese were sheep, but the Maltese are most intelligent.

Mr. Chamberlain.—The Maltese are not sheep at all.

Mr. Cachia Zammit.—I have only to add this, that our exchequer has been overloaded with money for the last twenty years, and the Government had ample to come with a drainage scheme ten years ago. Now, as you said the other day, it is much easier to control expenditure than to raise public money. I have read it in one of your Despatches. So it was with us. We did find some difficulty in raising money, because we had a programme which bound us to the electors, and we asked for time, and that time would have been given by any officials but those officials we have.

Dr. Mizzi.—After ten years of this Government—

Mr. Cachia Zammit.—Besides that, there is the money which has been wasted on the electric light, and about the railway. Unfortunately the railway does not improve, and the Government of a Colony ought not to play the part of a merchant. What business had the Government to instal the electric light? There were so many merchants who came forward, and I can assure you it is a total failure. Money has been wasted, and it will go wasted. Besides, Malta is over-stocked with clerks and writers of all descriptions.

Mr. Chamberlain.—I think I must not go more into detail.

Dr. Mizzi.—You will allow us to make it in writing?

Mr. Chamberlain.—Yes, anything further you have to say, and if you do that I will keep back any reply until I receive those further statements from you.

Dr. Mizzi.—But some of them will not come until I go back to Malta.

Mr. Chamberlain.—It is just as you please, but I wish to have all the facts before me.

Dr. Mizzi.—I am satisfied with that, because so you will see the better.

Mr. Cachia Zammit.—Thank you very much for your kindness and courtesy.

Dr. Mizzi.—We hope that our explanations will show that we are not so wrong as we are thought to be.

Mr. Chamberlain.—What I should like to say would be, let all bygones be bygones, and do let us work together in the future. That is what I should like to say.

The further statements were duly sent to the Colonial Secretary on 1st August, and contained an appropriately “expansive and coloured” appeal:—

“Addressing an Englishman, and especially an Englishman in your high position, who possesses such brilliant personal qualities, our language is plain. England has been the Apostle of freedom and progress to the whole world, and yet, we, who are under the British Flag, only know of all these grand things as a matter of theory and doctrine. Our condition in reference to freedom and progress is equal to the condition of an Esquimaux who hears the description of a magnificent summer day in a Southern country. The description exhilarates him, but he does not feel the beneficial action of the sun he hears of, and his blood does not get warm in his veins.

“The local officials, who urge the Government to compel us to change our language of education, are those same men who suggest and insinuate that the Maltese should be governed by Orders in Council, and be taxed also by similar orders, in spite of their opposition!

“Why?

“Sir, may we point out that the drainage question and the taxes have in reality been used by the local officials as a political move to compromise the elected members with their constituents, for, if they opposed the

taxes they would have been held as responsible for the odious measures that the Imperial Government might enforce, and if they passed them, they would have been accused of betraying their promise. But the electors have seen through this game of the officials, who cannot get the support of the people by legitimate and Constitutional means."

Referring to the police measures adopted ten years before in dealing with a disorderly meeting, they described it as "an unglorious plot," and said that the "forbearance displayed by the Maltese" was "providential!" Had they retaliated, the consequences would have been disastrous and deplorable!

A report of their interview with Mr. Chamberlain was sent by the Delegates to the Maltese Press:—

"The reception was a courteous one; Mr. Chamberlain made a sign to us to take our seats, and he took his. His look was rather a stern one, but he was polite in his deportment.

"He made a sign to us to submit our grievances, and we availed ourselves of his permission to speak, in the first place, with reference to the Constitution, and in the second place, on the Language Question.

"With reference to our remarks on the subject of the Constitution, Mr. Chamberlain deplored the conduct of the elected members of the Council of Government, and used some strong language. He afterwards said that he did not intend to decide then the questions laid before him, but he wished to say what in that moment it seemed to him he could say with reference to the Constitution and to the Language Question; and, after stating his views, he said that that was not a definite reply, but that he would give us a reply later on through the Governor.

"We asked him to permit us to give some explanations in regard to the points to which he had referred, and he allowed us to do so. We submitted to him several remarks; seeing, however, that we were detaining him too

much, and as we had still much to say, we concluded more or less in these terms:—‘Sir, we know very well how precious your time is, and we would not abuse of your kindness. We have, however, many things to say on the different questions which have been touched upon, and, in order not to detain you any longer, we would request to be allowed to submit our reasons in writing. We have already two Reports to present to you, and, with your permission, we shall present them to-morrow. But we have other matters to refer to, and later on we shall send in another Report.’

“He kindly complied with our request, and added:— ‘I shall make it a point not to reply to your first Reports before receiving the other Report, because I do not wish to come to a decision before I have before me all the required information.’

“We thanked him and expressed to him our satisfaction. At the same time we told him that we would have prepared the other Report after our return to Malta, and so we would have delayed its transmission a little. He replied that that did not matter.

“And we took our leave.

“Having mentioned the stern mien of the Secretary of State, we feel bound to add that this sternness did not continue to the end of the conversation.”

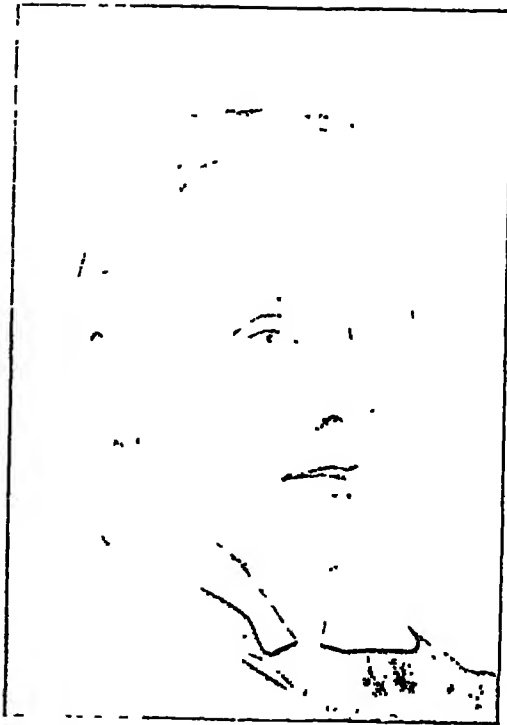
They pointed out to their friends that the Maltese cause was persistently misrepresented in the English Press:—

“It has been said, amongst other things, that the higher classes of the Maltese do not want the English language because they fear lest the English should show the people that they are paying the tax on wheat to the benefit of the well-to-do, who pay no taxes. It has been said that the Priests and the Church, who are very rich, are against the English language for the same reason, because they wish to keep the people in ignorance. It has been said that the Magistrates are ferocious in passing

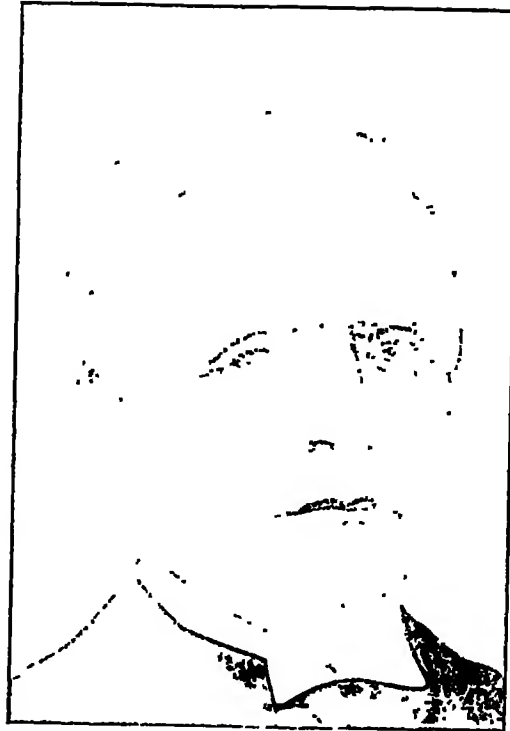
LIBERAL LEADERS

Archibald Philip Primrose, fifth Earl of Rosebery, was born in 1847. His place as Liberal Leader in the House of Lords was taken by the Earl of Kimberley, on whose death in 1902 Earl Spencer was elected to the post. Sir William Harcourt succeeded Mr. Gladstone as Leader in the House of Commons, and on his retirement in 1899 Sir Henry Campbell-Bannerman (born 1836) was chosen to succeed him. Herbert Henry Asquith (born 1852) was Home Secretary in 1892-95, and has taken a leading part on the Free Trade side in the fiscal controversy. Sir Edward Grey (born 1862), grandson of Sir George Grey, a distinguished Liberal Statesman from 1834 to 1874, is one of the rising men in the Liberal Party.

LIBERAL LEADERS



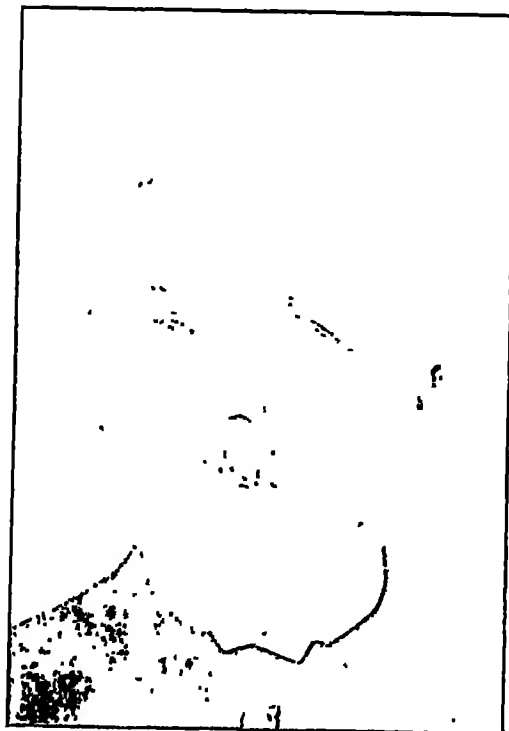
Mulart, Macdonald & Co.
EARL OF ROSBERY



L. All & Co.
RT HON H H ASQUITH



Russell
RT. HON. SIR EDWARD GREY



Stereoscopic
RT. HON. SIR H. CAMPBELL-BANNERMAN

sentence on Englishmen and very mild in passing sentence on Maltese. Similar statements, and others, still worse, are often published and pass uncontradicted, as if they were truth itself; in this way public opinion has been formed, and to alter that opinion immense efforts are to be made.

“Meanwhile, it is absolutely necessary to keep an eye on the English Press, and answer all its attacks for another reason; that is, when it becomes necessary to take action, as in the case of the present mission, immense difficulties have to be encountered in trying to answer at one time the attacks of many years, for the papers will not accept long articles, and when such articles are accepted, nobody will read them. We must write briefly, but we must write every time we are calumniated; it is in this way that we shall smash the teeth of this viper, so often used by our enemies.”

In a long Despatch of 19th June 1900, Mr. Chamberlain explained to Governor Sir F. W. Grenfell his views on the whole position. It will be sufficient to quote the final paragraphs dealing with the Language Question. Having pointed out that the Order in Council of March 1899, which permitted the use of English in the Courts of Law, had been rendered necessary by a gross miscarriage of justice, and was itself in accordance with the principles of common sense, he showed that the use of Italian as the official language rested merely on a declaration made in the reign of William IV., that it was not learned with any special ease by the great body of the Maltese (who speak an Arabic *patois*), and that a steadily increasing number of the inhabitants of the Island wished, as was proved by the Education Returns, that their children should be taught English:—

“Her Majesty’s Government accordingly arrived at the conclusion that the time was not far distant when the English language should be definitely adopted as the language of the Courts in Malta, and the period of fifteen years was fixed in order that those whose interests might

be affected (such as the members of the legal profession), might know that the change was impending and might have ample time to prepare themselves for it.

"I may also observe that the diminishing popularity of the Italian language in Malta is due not to any arbitrary measure of suppression on the part of the Government, but to the operation of natural causes, namely, the fact that the Maltese find it to their commercial and material advantage to possess a knowledge of the English language, and consequently desire to acquire that knowledge before taking up the study of Italian. Her Majesty's Government have, in fact, fallen in with the desire of the population of Malta; but, by fixing the date of the official substitution of the English for the Italian language at a distant date, have taken reasonable precaution to prevent the change which they regard as inevitable from causing inconvenience.

"Dr. Mizzi and Mr. Zammit further make a special complaint of the changes which have been recently effected in the Elementary Schools of Malta. As in regard to the Courts, so in this case, they allege that the English language is being imposed upon the Maltese, and that the interests of the latter suffer by the substitution of that language for Italian.

"Prior to the changes in question the children in the schools were taught at the same time the two foreign languages, English and Italian, and also the native Maltese language; but as a rule, they were not kept at school long enough to learn even the elements of either the English or the Italian sufficiently for any practical purpose. The new regulations provide that children are to be taught Maltese only, and other subjects through the medium of Maltese, for the first two years; and that, at the end of that period, parents are to choose between English and Italian as the only other language to be taught in the higher classes of the Elementary Schools. The language chosen is also taught through the medium of the Maltese language. The educational returns for

1898 show that parents in Malta and Gozo, having the choice before them whether their children should be instructed in English or in Italian, have to the extent of from 79 to 100 per cent of their number elected for their instruction in the English language.

"Thus the allegation that the English language is being forcibly imposed upon the people of Malta completely fails. An overwhelming number of the parents or guardians select the English language for their children, in preference to Italian, at the end of the first two years; and this choice is made of their own free will, and, doubtless, because they find it to the advantage of the children. The educational reform just indicated is based on principles of liberty. It appears to be strongly approved of by the parents or guardians of the children, to be acceptable to the pupils themselves, and to be calculated to promote the welfare of the population. In these circumstances Her Majesty's Government see no ground for modifying in any way the present arrangements."

The last paragraphs of the Despatch contained a few observations on the general situation:—

"Malta is a large fortress where naval and military interests and the rights of the non-Maltese inhabitants require careful adjustment with local requirements, and it might well have been argued in 1887, when a new Constitution was given, that it was undesirable to grant to the population more than the control of Municipal affairs. However, a Constitution was granted to the Island in that year, which, while giving a large measure of political freedom to the Maltese, was not intended to diminish the ultimate responsibility of the Governor. This Constitution was given in deference to the assurance that it would be thoroughly satisfactory to the Maltese, and that proper advantage would be taken of it, whereas, as a matter of fact, no real advantage has been taken of it at all. The Maltese, generally, take no interest in it. They do not come forward in the elections, and the gentlemen, who

are elected by a very small number, when they become Members of the Legislative body, instead of assisting business by legitimate criticism, too often delay business and prevent useful Legislation from being carried out.

“Her Majesty’s Government, therefore, cannot consent to extend a Constitution which, in view of the special circumstances of the Island, appears to them to be sufficiently liberal. Elected Members who possess administrative ability can, by accepting seats in the Executive Council, exercise great influence in local affairs, and can, by their advice and criticism, render valuable assistance to the Government, though the Government alone is responsible for the action which is ultimately taken. I trust that Elected Members of this type will be found ready to take their seats in the Executive Council, and that they and their colleagues will cordially co-operate with the Governor and Official Members in promoting the welfare of the Maltese which is earnestly desired by Her Majesty’s Government.”

The obstructive action of the Elected Members having continued, on 8th August the Governor dissolved the Council. On the 18th they addressed a protest to the Colonial Secretary—expressing their disappointment that “the Maltese population should not indulge in any future hope of change” :—

“We most respectfully entreat you to consider that Malta belongs to the Maltese, and if Great Britain has now the benefit of so important a fortress and naval station, it is because the Maltese have placed themselves under her protection, giving her the use of them; so it cannot but seem to us very strange that just because Malta is very precious to England the Maltese must be deprived of that political freedom which they most eagerly and earnestly have endeavoured to secure. The more precious is our country to the British Empire, the greater should be England’s gratitude, and still greater its bounden duty to adhere strictly to those obligations which were

explicitly and implicitly assumed towards the people of Malta. We therefore appeal to you once more, soliciting the grant of a Constitution more consonant with the principles of self-government; no such concession, limited to our local and domestic affairs, can in any manner encroach on the legitimate interests of the fortress and the naval station."

The proposed substitution of the English for the Italian language was "an act of tyranny unbecoming to the Government that perpetrated it":—

"You state that the Commission of King William IV. about the language of the Maltese laws cannot be regarded as an irrevocable pledge that the Italian language was to remain the official language of Malta; why, sir, that Commission was most positively a pledge, and as irrevocable as a pledge of an English King should be. On that occasion an attempt was made by the Government to change the official language of Malta. The Maltese, you must be aware, protested strongly and solemnly, and the Commission of Her Majesty's predecessor came as an assurance that the rights of the Maltese would be ever respected.

"Now we beg you to observe that no pledges were or are necessary. If England had conquered Malta, it would have been inhuman to carry the rights of conquest so far as to change the official language of the Maltese. But Malta was not conquered by Great Britain; the Maltese placed themselves under the British protection of their own free will, with the assurance that their rights would be maintained and upheld, such as that of the language, which, after religion, is paramount. It is, therefore, only an abuse of power and a grave injustice not to let them perfectly at liberty on this question.

"As to our assertion that the Maltese dialect is full of Italian words, and learning Italian from the Maltese is, for this reason, rendered easier, your officials dared to inform you that such assertion is not correct. At section

four of our letter of the 28th October 1899, we informed you that Commissioner Keenan suggested that the Maltese dialect should be purified of all Italian words, with which it abounds, and that, in order to make the study of the Italian difficult. Such whimsical ordeal was to be performed by substituting Arabic words for Italo-Maltese ones. Now, this proposal, besides being pernicious in itself, thoroughly proves the correctness of our assertion.

“The bad faith of the Government to compel children in the Primary Schools to lose their time in studying Maltese, is shown by a comparison of this policy with that of the British Government towards Ireland and Wales. Great efforts are being made to persuade the Irish and the Welsh not to lose time in learning their languages, which are ‘a wall of words against civilisation.’ Now the Irish and the Welsh are counted by millions, and the Maltese only number 180,000, so that the Maltese dialect is much more ‘a wall of words’ against the civilisation of the Maltese people than the Irish language in Ireland, and Welsh language in Wales.”

The political character of the Italian agitators may be judged from the concluding words of Dr. Mizzi's address to the electors, issued 30th October 1900:—

“Up to about eighteen months ago the Government had not in the matter of taxation forced their authority on the population; now, it is clear, they intend to do so, and if the representatives of the people will yield, the Government will strangle the population through the Maltese themselves; but it is foolish of those who believe that by giving them a little they will have satisfied their hunger and secured something for the people. No! after the repast they will be more hungry than before.

“Now my colleagues and myself do not want to be the executioners of our brothers, and we declare, clearly and without circumlocutions, that we want no taxes. We present ourselves as candidates to-day with this programme; if the population wants to allow themselves to

be imposed upon, let them choose others instead of us. We know very well what use the Government make of the people's money, and until the country is governed by the representatives of the taxpayers, by persons responsible to the people, by persons worthy of the people's confidence, we cannot promise to sanction any taxes, not even in the slightest amount. Let the Government change their nefarious policy towards the Maltese, to whom it is expressly said that the Government must have a greater regard to the interests of the few resident Englishmen than to those of the natives, as we learn from the last barefaced Despatch of the Secretary of State for the Colonies, and it will then be seen that without the necessity of further taxes the country can resume its florid condition."

Again, on 12th March 1901, the same politician issued an Appeal to the Maltese: "The language question (he wrote) is not only a question of sentiment and of freedom, it is also a question of bread. The English Government wants to provide an opening for Englishmen here. England has many Colonies, and she also has a vast Indian Empire; but her Empire and her Colonies are too distant, and their climate is very unfavourable, whilst to Englishmen the climate of Malta is delicious.

"As soon as the English language shall be installed as the official language you will see the highest posts filled by Englishmen. But what do I say, the 'highest posts?' All the posts, big and small, shall be occupied by Englishmen; and if you have eyes to see you must perceive that even in our Police there are already several English faces, and there would have been many more if Englishmen did not get drunk so often. The Government is already preparing the posts for Englishmen by augmenting salaries. The salary of the Chief Secretary has been increased by £300, that of the Judges by £100 each, and several heads of Departments have had various offices merged into one.

"Besides, the Government endeavours to obtain increases of salary by the vote of the Elected Members.

All this wealth squeezed out of Maltese blood, in the form of present and future taxes, is not meant for you, poor Maltese. '*Sic vos non vobis ntidificatis, aves.*' All this wealth, squeezed out of your blood, is intended to nourish your masters, if you allow your masters to be your masters beyond what is right. Your sons are to be relegated to the lowest offices in the service of these masters; they will only get the bread of abasement, and they will curse you in your graves if you do not, no matter at what sacrifice, prevent the Government from substituting the English for the Italian language.

"So far, it has been the Italian language that has prevented Englishmen from eating up the morsel of black bread which is all that is left to us.

"Because, you must well understand that when the English language shall become the official language for the whole Island, Englishmen will always speak their own tongue better than any Maltese, and they shall enjoy all the sympathy of the Government in preference to any Maltese. Let this barrier be knocked down, and you will see that the Maltese, already sufficiently despised in their own house, will only get the crumbs that will fall from English tables.

"And do not believe that England is too rich to require anything from Malta; owing to the wretched distribution of wealth in that country, her middle classes are as poor as her lowest classes. About twelve years ago we copied from the English papers the news that for a post of £60 a year there were 160,000 applicants!! The English population has since augmented, and so have its needs."

If the Maltese persevered, the orator continued, the British Government in the end must give way. "Chamberlain and his principal satellite, Strickland, are compromised because their *amour propre* compels them to support their own decisions as far as they can, but Chamberlain will not be for all eternity Secretary of State for the Colonies, nor Strickland Chief Secretary to Government *per omnia secula*

reculorum." But the concluding words were the best! "Our cause is a just one: God is with us. We have, therefore, excellent reasons to hope for a victory."

At a meeting of Italians held on Easter Sunday (1901), one speaker suggested imitation of the Boers—a handful of men who were holding out against England—though he hastened to add "we cannot take up arms as the Boers did." They must rely on logic! Other arts of the weak were called into requisition, and on 27th May the Governor found it necessary to meet organised mendacity with the following Proclamation:—

"Whereas it has come to the knowledge of His Excellency the Governor that panic has been caused and children have been suddenly withdrawn from school by their parents because rumours have been maliciously put in circulation to the effect that the Government is promoting the teaching of English in the Government Elementary Schools in order that the boys may be forced to proceed to the war in South Africa, and the girls pressed into the service as washerwomen and attendants on the British Army.

"His Excellency the Governor trusts that all persons in the employment of the Government, in whatsoever capacity, and all loyal subjects of His Majesty, will use their best endeavours to contradict the false reports above-mentioned, and the misleading statement that the Government is promoting the teaching of reading and writing through the medium of the Maltese language and the spread of the English language, in order that British Subjects domiciled in Malta may be forced to emigrate, or caused to lose their means of livelihood in these Islands."

From the Return issued on 18th June 1901, by the Inspector of Elementary Schools, it appears that the parents of more than 82 per cent of the children attending the Third Standard that year had chosen for them to be taught English, and less than 18 per cent had preferred Italian. Nevertheless, as Mr. Chamberlain pointed out in another Despatch of 30th July, the agitators had openly

announced as their policy the refusal of all taxation and public improvements, even those most necessary to the health and comfort of the poor, until they should secure their ends. This was an abuse of Constitutional powers justifying an amendment of the Constitution. He preferred to adopt a temporary alternative—in the hope that the Elected Members of the Council would before long be induced to follow a wiser and more patriotic course. It was, therefore, decided that the necessary legislation should be carried by Orders in Council. The subjects to be thus dealt with were the construction of new schools, the extension of drainage and water works, certain additions to hospitals and asylums, various street improvements, and similar administrative business—all of which had been obstructed in the Council. The total extra expenditure was about £380,000, and to raise this sum the necessary legislation would be recommended to His Majesty in Council.

Their objects exposed and their arguments refuted, these indefatigable agitators were by no means defeated. They persuaded the Italian Government to take up their case and make representations to our Foreign Office, as if some slight were being placed by the British on the Italian race. The moment was cleverly chosen. It so happened that the old cordial understanding between the Courts of St. James's and Rome had been slightly clouded by what was represented as our disregard of Italian interests in South Africa, and the Language Question in Malta was seized upon as an opportunity for proving our friendly feeling. On 28th January 1902, Mr. Chamberlain had to announce in the House of Commons that the Proclamation would be withdrawn as to the substitution of English for Italian as the official language. In making the concession, however, he explained, in a neat and concise argument, that no grievance had ever existed in Malta or would have been created if the Proclamation had been maintained. But he did not wish any kind of misunder-

standing with regard to Italy to prevail, and, therefore, if he could believe that, by the offer of a compromise in this matter, he would remove any feeling which existed among our good allies, the Italians, and at the same time remove any feeling of a similar kind which existed among a certain class in Malta, then he would without hesitation formally withdraw the Proclamation at once. He would withdraw it at once, without any conditions, and was perfectly willing to trust to the future.

“He was perfectly ready to withdraw the Proclamation, and he thought that was, at all events, an intelligible concession. He hoped it would be regarded as such by the persons to whom he had referred, and he hoped that they would now look at those questions of taxation as the Government should expect them to do in any ordinary time. He did not deny their right to criticise the proposals of the Government, and to control them in the last resort, but to refuse absolutely necessary Votes of money, for purposes from which their own Constituencies would derive benefits, whether it was to show spite to the Government or was done in order to affect the decision of the Government in regard to some other question, was not in accord with Parliamentary institutions, and he sincerely trusted that that course of action would be abandoned. If, however, the state of things prevailing at present were to continue, the Elected Members of the Maltese Council would be guilty of suicide. They could not expect a Government which was responsible for a great Imperial Fortress to allow this childish game to proceed indefinitely, and it would clearly be the duty of any Government under these circumstances to go back to the conditions which existed before 1847, or to make such modifications of the Constitution as would be necessary to give the Government a controlling voice in the administration. He made no threat, but had endeavoured to treat this question in a conciliatory way, and he hoped no drastic process might be necessary.”

In Italy itself this act of friendliness was accepted in the spirit in which it had been offered. But the Maltese Italians, not without reason, plumed themselves on having beaten the British Government, and at once renewed their agitation for further concessions. Within the Colony it cannot be denied that the action forced on Mr. Chamberlain was an unfortunate precedent, though it was, perhaps, excused by the International object which it was meant to serve.

Although it is extremely probable that by 1914 English will have become the common language in Malta, and may, by that time, have been adopted for official purposes, it was, perhaps, a mistake to announce the change so long in advance. But this was not the real crux of the controversy. The Italian Party in the Island wished to preserve their language artificially, by making it a compulsory subject in the Elementary Public Schools. The Colonial Office did not propose to make English compulsory, but insisted that the parents of the children should be permitted to choose between the two languages, and on this point the authorities refused to give way. It was further intimated, and was quite understood in the Island, that if the Italian Party should persist in refusing the necessary Votes for Supply, the Constitution would be so altered that the Official Members of the Council would be made a permanent majority. The warning, however, was soon disregarded, and it has recently been found necessary to carry out the threatened changes.

A passing reference must also be made to the enlargement, for defensive purposes, of the Colony of Hong-Kong by the Chinese cession of the Kowloon and Mirs Bay; the cession of the islands of Choiseul and Isabel in the Solomon group under the Samoan Treaty with Germany; the question of the transfer of Norfolk Island to the Government of New South Wales; the controversy on Land Legislation in Ceylon; the agitation in Cyprus for union with Greece; and the rioting at Port of Spain,

Trinidad, which had to be suppressed by force, and was afterwards made the subject of a Commission of Inquiry. Nothing even of local importance seems to have passed through the Colonial Office without the Secretary of State having given it a share of his individual attention. Whoever will take a map of the British Empire will be unable to place a finger upon any portion of it—outside the Foreign Office Protectorates—where Mr. Chamberlain, in one way or another, has not made himself felt. His power of direction and control has been exercised in small affairs as well as in great, and in the islands of the Pacific, the Straits Settlements, New Guinea, and other Possessions of which the British public hears but little, his strong personality is as fully recognised as in South Africa and the Self-Governing Colonies.

It would be absurd for his admirers to give him the whole credit for all the administrative reforms which have been carried out in his name. Many of them have been suggested to him, and the execution superintended, by members of the official staff in Downing Street; many others are due to the enterprise and energy of men on the spot. But it is astonishing how closely he has watched the work of his subordinates in every outlying corner of the British Empire, and how unmistakably his inspiration may be traced, how clearly his thoughts and even his language have been reproduced, in dealing with the numberless questions that go through his Department. It is pointed out elsewhere that he spares no pains in selecting and encouraging good men, but, like every other English administrator, he is sometimes hampered by the difficulty of getting rid of inefficient, though personally blameless, public servants. As soon as a second-class man has got into a first-rate position, the cheapest thing to do with him—if only the country would see it—is to make him a K.C.B. and retire him on his full salary.

It is not fair, perhaps, to place an absolutely literal interpretation on the words which a Statesman uses at a

complimentary dinner. But at the Corona Club Banquet held last June, the Colonial Secretary seemed to be speaking from his heart.

"I never felt," he said, "so proud of my country or of my countrymen as when I saw them at work in these distant lands. My Lords and gentlemen, I had another opportunity which I greatly prized, and that was an opportunity of seeing Downing Street from outside and from a distance. Seen near, its architecture leaves much to be desired, but the further you go from it, believe me, the greater it appears. And yet the experience which I have had enables me, as, perhaps, never before, to put myself in the position of those who are working out our policy abroad, and who find themselves controlled and praised—and it may be blamed—by the central organisation. I can see perfectly well how a man, filled as he should be with the local aspect of the question with which he has to deal, may be discouraged when he finds that his proposals, submitted after the greatest care in their preparation, are criticised and, as he thinks, curtly dismissed by the clerks in Downing Street; and, on the other hand, I know my Downing Street also, and they sometimes must be disappointed that, in spite of all they do, of the pains that they take to make themselves understood, they find that those abroad misunderstand their instructions, ignore the great traditions, which are not founded upon pedantry or red tape, but which are the historic product of centuries almost of continuous administration—when they find those traditions ignored, and the cherished principles upon which our policy depends more or less disregarded."

CHAPTER XVIII

THE SOUTH AFRICAN SETTLEMENT

When the Delegates at Vereeniging "stood at the grave of the two Republics" they appointed a Committee to raise funds on behalf of Boer sufferers from the War, and detached Generals De Wet, Louis Botha, and Delarey from that body to collect subscriptions in Europe. Almost at once, however, this inoffensive enterprise assumed the proportions of a political mission—the real or, at least, the main object of the Generals being to modify the terms of the Treaty to which they had just put their hands. They arrived at Southampton as a great Naval Review was being held by the newly-crowned Sovereign, which it was hoped they would witness. It was not unnatural, though it may have been impolitic, that the sore-hearted men should display no enthusiasm over the friendly greetings they received, but preserve an attitude of chilly reserve. Their presence at this demonstration of the naval power of Great Britain, even though they would have come as popular guests and honoured subjects of the King, might to their minds suggest an unpleasant resemblance to captives gracing the Triumph of a Roman conqueror. In a brief interview with Mr. Chamberlain they declined the invitation, urging personal reasons which called for their immediate departure. But, after a flying visit to London, where they were received with gushing adulation by the politicians of the pavement, they returned to Southampton, and on 18th August were presented to the King on board the Royal Yacht, and taken for a trip round the Fleet at

Spithead. A visit was made to The Hague, and after holding conference with Mr. Krüger, Dr. Leyds, and other Boer representatives, they telegraphed to Mr. Chamberlain from Brussels, requesting an opportunity to "submit and discuss questions of the greatest importance and interest to our country and people."

Mr. Chamberlain replied, through our Minister at Brussels, that he had hoped to have a preliminary discussion with them on the Solent, but he would come up to London to meet them on 2nd September. He would, however, like to know beforehand the subjects on which the Generals wished to see him, and asked for a list to be sent to the Colonial Office. The invitation for the 2nd was accepted, and the list submitted covered eleven points. The chief were a complete Amnesty for British subjects who had assisted the Boers in the War, and pardon for all persons convicted of acts committed during its continuance; a sufficient allowance for the widows and orphans of Burghers, and for maimed Burghers; equality of the English and Dutch languages in schools and law courts; equal rights for Burghers and British subjects, including the return of all Burghers to South Africa, whether prisoners of war or self-exiled politicians in Europe; reinstatement of Boer officials, or compensation for loss of office; compensation for loss of private property during the War; reinstatement of Burghers in the ownership of farms confiscated under the Proclamation of 7th August 1901; payment of the obligations of the late Republics, including those incurred during the War, and rescission of the determination to give Natal a new boundary covering a portion of the Transvaal. The Generals also proposed to discuss the execution of the terms of surrender, objecting in particular to the Oath of Allegiance being demanded as a condition precedent to the repatriation of prisoners of war.

Mr. Chamberlain (25th August) expressed his unaffected surprise at the number and character of these proposals.

He reminded the Generals of the history of the Peace negotiations, since March 1901, and, in regard to the terms of surrender, said there was no parallel in history for conditions so generous being granted by a victorious belligerent. He was willing to discuss the interpretation of those terms, but the eleven points put forward constituted a suggestion for an entirely new Agreement, inconsistent with and even contradictory to the Vereeniging compact. It was not his duty to enter upon any discussion of such proposals. Both parties were bound by the conditions arranged, and he had no power to reopen any of the points then settled as to the repatriation of prisoners, Amnesty to rebels, the use of the Dutch language, and the grants of money and loans to the people of the new Colonies. The Generals sent a temporising reply, resting their plea for an interview on the broad grounds of clemency and the interests of the people, and assuring Mr. Chamberlain that they did not seek to meet him as parties claiming the right to make a fresh contract or substitute a modified agreement for that already in existence. But they did not explicitly accept the condition which he had imposed, that there should be no attempt to reopen the terms of surrender. These conditions were insisted on by Mr. Chamberlain, and finally the Boer Generals, "forced by the circumstances in which we are placed," gave the required formal assurance, and on 5th September an interview was held at the Colonial Office. The Generals were accompanied by Mr. J. H. de Villiers as interpreter, and Mr. Chamberlain had the assistance of the presence of Lord Onslow, Under-Secretary for the Colonies, Lord Kitchener, and Mr. F. Graham, Assistant Under-Secretary.

At the outset the Boers denied that it was their intention to alter the terms of surrender in any way. Mr. Chamberlain having drily remarked that he was very glad to hear it, they raised the question of Amnesty, and urged that everything on behalf of the persons affected should be brought before the Commission which the

Government had sent out to deal with the subject. Mr. Chamberlain then shortly explained what were the duties of the Commission in examining the sentences on rebels. The Boers complained that Lord Kitchener had given a promise at Pretoria that he would recommend an Amnesty at the time of the Coronation, and that the rebels had not been pardoned. Mr. Chamberlain pointed out that the only undertaking was that Natal, being a Self-Governing Colony, should deal with her own rebels—and she had amnestied them liberally. Lord Kitchener did not admit making any such promise as the Boers alleged; the statement about Natal was the final and definitive statement. The conversation then dealt with the return of the prisoners, and it was explained to them that every one could not be sent at once, and that repatriation would proceed with all possible expedition. The Generals had been misinformed when they were told that there had been any refusal to return prisoners who had either taken the Oath of Allegiance or made a Declaration—the latter had been in the nature of a concession to those who declined to swear, the form of it having been agreed upon, between Lord Milner and Boer leaders, before the Generals left South Africa. Passing to another subject, Mr. Chamberlain had to correct a misapprehension, on the part of the Boer Generals, that Burghers had been, or would be, deprived of their farms: the only power taken by the State was that of acquiring land for public purposes on the payment of full compensation.

On Article X. complaint was made of the composition of the Commissions appointed to regulate the distribution of the £3,000,000 for restarting the Boers in their occupations, and strong exception was taken to the inclusion in those bodies of Boers who had fought on the British side in the latter stages of the War. Mr. Chamberlain, however, made a spirited defence of the employment of National Scouts on the Commissions, offering, however, to make inquiries into any specific instances of alleged unfitness or

wrong-doing. The Generals next complained of the extension of the Natal border, and said the Boers would leave the Vryheid and Utrecht districts if this were persisted in. Mr. Chamberlain reminded them that this was a closed question, and suggested that they should advise the Boer inhabitants to remain: it was not credible, their numbers being what they were, that they would be down-trodden, or in any way unfairly treated. The conversation then branched off into the question of the status of foreigners who had become Burghers of the Republics. Mr. Chamberlain roundly declared that he had no sympathy with foreigners who had meddled with a quarrel which was not their own—foreigners who had been given Burgher rights as a reward for taking part in a conflict in which they were not concerned. Naturalisation had been granted them in order that they should fight against Great Britain. They were not required to forswear allegiance to their parent State. The British Government would treat them as foreigners: such of them as were prisoners of war had accordingly been sent back to their own countries. “We decline altogether,” said Mr. Chamberlain, “to recognise them as Burghers in South Africa.”

There were other subjects, the Generals hinted, which they would like to discuss in writing. The £3,000,000, for example, they did not think at all adequate for the purposes to which it was being applied. Something might be done for the widows and orphans. “You have got so many assets in the country,” was the ingenuous suggestion of General Botha. Mr. Chamberlain’s reply may be quoted:—

“Well, I think we had better not enter upon discussion in detail upon points of that kind. I would only remind the General that we have undertaken many obligations already, more than has ever been undertaken before in similar circumstances. I do not wish to enter into any discussion, any elaborate discussion, but I will take one case. The General suggests that we might make pro-

vision for the widows and orphans of those who have been killed—of those who have fought against us. Well, in my time I recollect very well the great Civil War in America, and I appeal to that, because that stands out as a case in which more than ever before, or indeed ever since, the victor, the conqueror, showed a magnanimous and generous feeling to the conquered. There was good reason for it, because they were brothers, of the same race, the same religion, the same everything. It was a Civil War, but even in that case the Northern side, that is to say the victorious side, made no provision whatever, either by way of grant or pension or allowances, to people who had been wounded—to the side that had been conquered. They gave them their lives, they gave them their liberties, and after a period of about ten years they gave them their votes, but they did not give them any money compensation. But we have gone one step beyond that, because we have contributed, in addition to all our own enormous expenses, a very large sum to relieve those who are really destitute in our new Colonies. We have done more than, I think, was expected of us, and we have done all that we can afford to do, and I think it would be undesirable that the General should press us any further in the matter either now or in writing.

“As regards the general statement which he has made, I desire to reciprocate it. We want, in this country at any rate, to forget and to forgive, because if you think, as you well may, that you have something to forgive, we also think that we have a great deal to forgive; but we want to put all that on one side. The War is over. We each of us fought as well as we knew how during the War. Now there is Peace. All we want is to recognise you as fellow-subjects with ourselves, working, as we shall work, for the prosperity and the liberty of South Africa. How great that liberty is, how soon complete Self-Government is extended to South Africa, depends entirely upon the rapidity with which the old animosities die out.

Anything in the nature of recrimination nowadays would be an injury, and would tend to delay the complete pacification which I think we both desire. We shall certainly show trust in you whenever you will show trust in us. We shall be very glad of your co-operation, and of the co-operation of men like yourselves who have loyally accepted the new situation in securing that your special views and ideas are, at all events, represented in the Government, as well as those of other sections of the population. We want South Africa to be a happy abiding place for all who live in it, not for one class alone, not for one section, for one race, or for one political Party, but for all, and our duty is to regard the interest of all, and we desire that no section should be entirely unrepresented. I am sure that if you meet us half way you will find us to be in the future quite as good friends as we have been, I hope, loyal enemies in the past."

That statement closed the Conference. It will be seen that Mr. Chamberlain refused to be drawn into any controversy that might have the effect of modifying the terms of surrender, though he cleared away certain misapprehensions that may have existed in the mind of the Generals. By the immediate publication of the Correspondence leading to the Conference, and of the report of the deliberations, he enabled the Generals to see that neither inside nor outside the Colonial Office were they likely to obtain favourable consideration for proposals calculated to undermine the Vereeniging arrangement. In these circumstances the Generals turned to Europe for sympathy and financial help, and issued from Amsterdam an "Appeal to the Civilised World."¹ The cash contributions which they obtained from their tour were pitifully disproportionate to the "sympathy" of the Continent, and in November they made up their minds to return to South Africa, there to resume their conferences

¹ See Appendix VI.

with Mr. Chamberlain in the hope of obtaining further financial assistance from the Imperial Government.

It is needless here to retrace the various negotiations attempted, directly or indirectly, by the other Boer politicians who had taken up their residence at Brussels, The Hague, or elsewhere in Europe. It was, no doubt, largely due to their advice and encouragement that the War had been prolonged nearly half-way through the year 1902. Owing to their obdurate belief that something might happen which would save the two Republics from extinction, the Burghers still under arms were kept on fighting—willingly enough, many of them—long after success, from the military point of view, had been proved impossible. For this persistence in a lost cause severe blame has been thrown on the ex-President, on Dr. Leyds, and their colleagues—especially as they shared personally none of the hardships which they imposed on their countrymen. They were mistaken, we know, and in the result they did nothing but mischief, yet it cannot be denied, by those who try to judge their conduct impartially, that in playing against time they played the game with extraordinary skill and indomitable moral courage. Even to the last, it is to be feared, they were supported in their blind faith by English sympathisers. But whether they were patriots or egotists, or a little of both, the British Government were entitled to ignore them. The sole Boer representatives of the people whom we could recognise were the men who had continued in the field and had signed the Treaty of submission. The only form taken by that European intervention from which so much had been hoped was a courteous offer of mediation put forward by the Dutch Premier. This, of course, was politely declined by our Foreign Office.

But neither then nor at any other period would it have been possible for an external Power, however friendly and impartial, to assist in pacifying the old feud between the British and Dutch stocks in South Africa. In making

Peace, as in waging War, we asked for no help and would accept no mediation. The settlement must proceed from within. But how was the movement for conciliation to be started? The passions raised by War had by no means passed away when Peace was signed. Between the fighting Boers and the British soldiers a mutual feeling of sportsmanlike respect had, no doubt, grown up. Lord Kitchener who had organised the unrelenting machinery through which victory was slowly achieved was by no means unpopular among the men whom he had vanquished. But the Cape Dutch who had waited in vain for a chance of taking part in the struggle—the politicians who had hoped to profit by a War in which they did not join and by an insurrection that they dared not openly foment—were never more disaffected than when the Treaty of Vereeniging had just been signed.

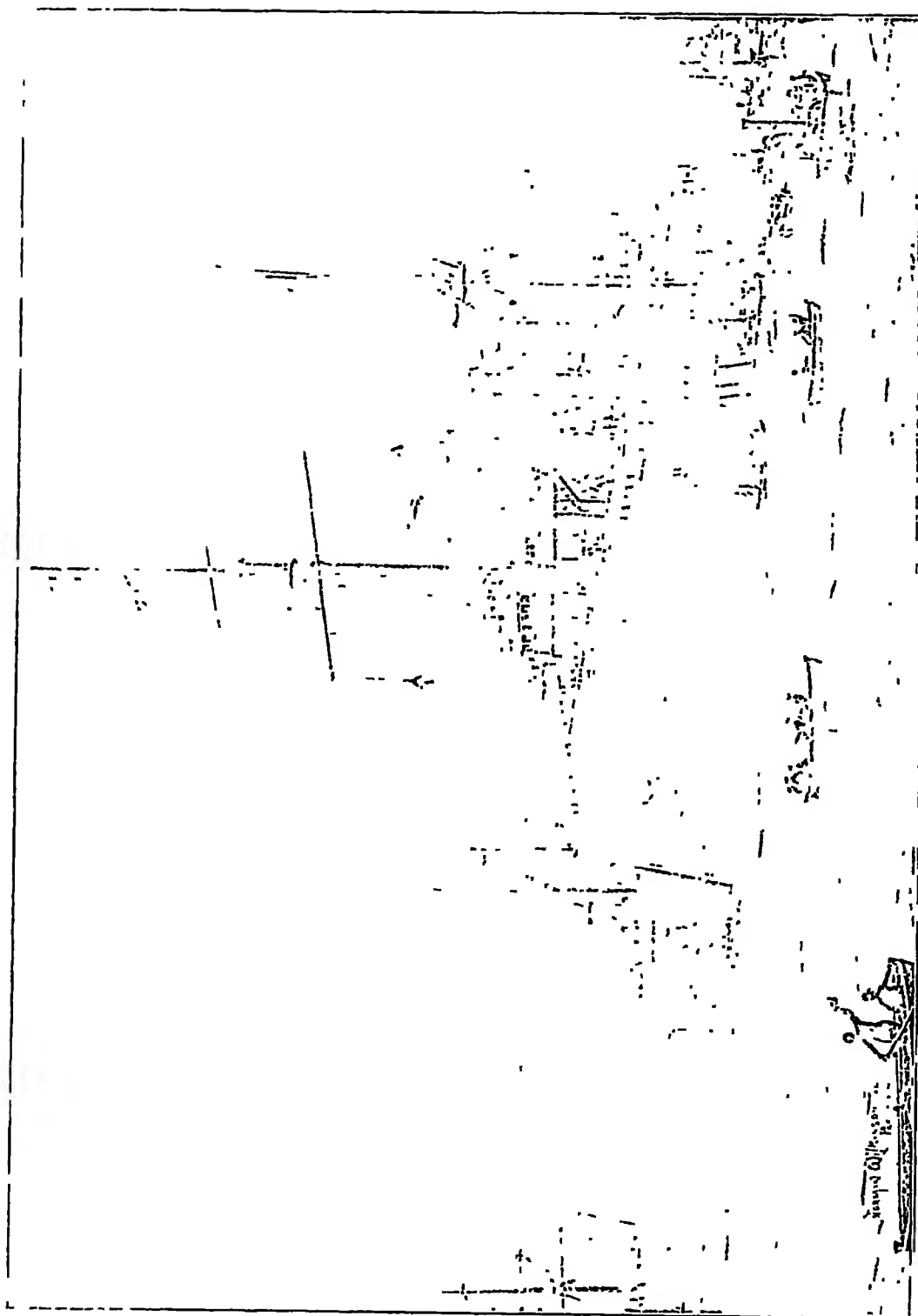
By Constitutional theory, of course, and also by personal inclination, the High Commissioner was neutral between British and Dutch—in the newly annexed territories as well as in the two old Colonies. But in the course of the War he had, inevitably, been so closely identified with one side that he was regarded with natural, if undeserved, suspicion by the other. The case was somewhat different with the Colonial Secretary. The very fact that he operated from a distance invested him with an impartiality which it was less easy to discern in his local representative. This was thoroughly realised by Lord Milner, and it was, therefore, in full accordance with his wishes that Mr. Chamberlain decided to visit South Africa and make acquaintance with the leaders of every Party and representatives of every interest. It was at once made clear that he would start with no preconceived policy, and that his journey would be undertaken with the object of acquiring local information and receiving suggestions from any and every quarter.

On 25th November 1902, Mr. and Mrs. Chamberlain bade farewell at Victoria Station to the Prime Minister,

Lord Roberts, and other high officials, and embarked at Portsmouth in the cruiser *Good Hope*. At Cairo his journey was broken by a short visit to Lord Cromer, where he paid an interesting tribute to young Englishmen of the type selected and trained for Imperial work by great administrators like his host.

At Mombasa he disembarked, and was taken for a trip on the new Uganda Railway—the subject of so many Parliamentary discussions, in some of which he had taken part. At a banquet given to him by the British in Zanzibar he regretted that so much of the trade with that Protectorate had fallen into the hands of foreigners, and reaffirmed his hope—his belief—that the British Government would always be ready to protect the interests of the outlying portions of the Empire. Nor did he leave East Africa without inquiring into the possibility of Native Labour being recruited in that region for mines in the Rand. The *Good Hope* arrived at Durban on 26th December, and, after saying a few words of thanks for the enthusiastic greeting received from the inhabitants of the Colony which had borne the worst heat and burden of the War, he settled down to business. The operation of Sugar Bounties, the restrictions imposed on the immigration of Hindoo coolies, and the disloyal propaganda carried on by negro “missionaries” from America, were among the local questions which he was invited to consider. His first public words were intended to breathe the spirit of his mission:—

“The issue,” he said, “has been decided. The British flag is, and will be, and must be, paramount throughout South Africa. The losses we have suffered, the sacrifices we have made, must not be thrown away. Reconciliation should be easy. We hold out our hand, and we ask the Dutch to take it frankly, and in the spirit in which it is tendered. There is no cause to despair. The differences are not greater than those that once divided the Scotch and English, or the French and



From a Drawing by NORMAN WILLIAMSON.

MR. CHAMBERLAIN'S DEPARTURE FOR SOUTH AFRICA

English in Canada. I come in the spirit of conciliation; but I come also in the spirit of firmness. Federation is a great aim, but it would be a greater mistake to hasten its conclusion prematurely."

At Pietermaritzburg he was confronted with what he considered exorbitant claims for compensation on account of losses suffered during the War—some of the Boer delegates who addressed him evidently considering that they should all be fully reimbursed for any depreciation in their properties. His interview with the Natal Ministers resulted in an arrangement under which the Colonial Government accepted liabilities and abandoned claims against the Imperial Government to the amount of £2,000,000. In reply to a deputation of Native Christians, he said quite plainly that while the coloured population would be scrupulously protected in their personal rights they must not cherish any hope of political equality. Mr. Chamberlain has not studied American life for nothing! At a public banquet, on the 25th, he dwelt on the advantage of personal intercourse between Imperial and Colonial Statesmen, and declared that his recent Conference with the Colonial Premiers had been very valuable. The War, he added, was not without its compensations: it had proved the strength of Great Britain, her determination to protect her Colonies and their loyalty to the Imperial connection. On the next evening he gave an outline of the present intentions of the Imperial Government with regard to the new Colonies. He was, he said, perfectly aware that sooner or later South Africa would follow the example of Canada and Australia. Such a consummation could not be imposed by the Imperial Government, but, while the Mother Country would not interfere in such a matter, it would heartily rejoice when the new Constitution for a Federated South Africa was demanded. It would add strength and prosperity to the country; but, in order to secure those blessings, they would have to make sacrifices, and

not Natal alone. There must be a policy of give-and-take. If the projected Conference was to secure substantial results, each Colony must enter it with a determination to contribute its full share. If Canada and Australia had found it necessary to federate, there were special reasons for South Africa doing the same thing, for there was there a small white population in the presence of many times more numerous blacks. Under civilized government the blacks would multiply rapidly, and it behoved the white population to be strong and united if the problem was to be dealt with effectively. They must not decide how the problem was to be solved until they had satisfied themselves what was the best way.

Although he was favourable, he said, to Federation in the abstract, it must never be forgotten that accompanying Federation there must be the concession of Responsible Government to the new Colonies. It was perfectly clear that this concession could not be made immediately. The populations of the new Colonies were in an abnormal state. Industry had not yet recovered from the effects of the War, and it was ridiculous to assume that a body now elected would be fairly representative of the people of the Transvaal and Orange River Colonies. Again, they had the right, before the question of granting Self-Government was considered, to ask their Boer friends to furnish them with some evidence of active loyalty. It would be a grave dereliction of Imperial duty for His Majesty's Government to put into power any individuals or Party who might seek to undo by political agitation the work that had been so painfully accomplished by force of arms.

A visit to the memorable field of Colenso preceded the entry into Ladysmith, where Mr. Chamberlain promised that the Government would recognise any receipt given by a British officer for goods supplied in the War, and generally would satisfy all legitimate claims—but, he

added, it would be a bad day for the Empire when people began to reckon loyalty in a ledger account.

From Ladysmith he passed to Standerton, and it was not until he crossed the frontier at Charlestown on 3rd January 1903, that he met the High Commissioner and Sir Arthur Lawley, the Lieutenant-Governor of the Transvaal. At Pretoria on the 5th General Cronje and Dr. Smuts were presented to him, and he renewed his acquaintance with General Botha and General Delarey. In reference to the contribution towards the expenses of the War, which he hoped to obtain from the owners of the gold mines, he remarked that "if they sent him away empty-handed he would bow to their decision." As a matter of fact, he had no intention of failing altogether in so important an object, but he considered it both more graceful and more diplomatic to regard any sum that he might induce them to grant as a free offering, not as a forced requisition. He hoped, for one thing, that an appeal to the good feeling of the Rand millionaires would be more fruitful than any demand made as of right, which would have to be supported by statistical arguments to which their unrivalled financial dexterity might set up a specious reply. He was unwilling, in the second place, to give foreign critics, or political adversaries at home, a pretext for saying that the British Government were exacting a harsh indemnity from the conquered territory. How far his reliance on the patriotism of the Rand was justified will be seen hereafter.

At a banquet on the 5th, both Lord Milner and Mr. Chamberlain were surprised and annoyed at being confronted by a local lawyer, with a demand for the speedy restoration of Representative Government. For the present, the speaker said he would be content with Crown Colony Government provided there were "a little less Crown and a little more Colony." The High Commissioner gave a bantering reply, and the Colonial Secretary took the same tone, but both quite decidedly refused even to

discuss the subject on an occasion when they had not expected to be plied with controversial inquiries. The incident was piquant but unimportant, except as showing that Mr. Chamberlain did not mean to have his decision "rushed" by any political group, whether British or Dutch—nor would he modify the administration established by Lord Milner until he had thoroughly examined its operation.

But his more immediate duty was to explain himself to the Boer Leaders. The policy of the Government was one of conciliation. It would not, however, be conciliation to satisfy opponents and alienate friends. Though it was the duty of the British to work for the alliance and fusion of the two white races in South Africa, there was a reciprocal duty with the Boers—especially with their Leaders.

"I rejoice," he said, "to see them at this board. The leaders of the Boers accepted, in terms as frank as any one can desire, the result of the War and the terms of settlement. I absolutely accept their assurances, which I believe to be a matter of perfect sincerity. We are going to carry out the terms of that settlement in the spirit and in the letter, and we expect that they will do the same. Henceforth we are one nation under one flag. We have left the past behind. I know it is said that the past carries with it bitter memories. So it does, but not for one side alone. What we both have to do is to forget the past, and look forward to the future."

It was a broad hint, but the Boer Leaders ignored it—they had to consider and play up to the expectations of their countrymen. On being joined by General De Wet, they held a meeting at which, while employing the most loyal expressions towards "our Government," they formulated demands that only stopped short of claiming Independence. And even on that point General De Wet declared that he was not without hope. The Boers would behave so nicely that the British would say

"You are a good and brave people, take your country back."

How far they expected to carry the requests which they put forward, it is impossible to say. Any hope of success in talking over Mr. Chamberlain was given up on 8th January when they received his reply to their Memorial. He told them plainly that their constant and repeated claims were regarded with growing impatience. They were excellent at making a bargain, but did not understand that when made it should be adhered to. They had accepted the Treaty of Vereeniging, and must abide by it. No promise of Amnesty for the Rebels was contained in the terms—they were left to be dealt with by the laws of the Colonies to which they belonged. As a matter of fact, hundreds of sentences had been remitted, and others had been largely reduced. And how had the Boers treated their own rebels? They shot, imprisoned, and sjamboked them! Though the Imperial Government did not close the door to further clemency, nothing would be yielded to pressure. With regard to permitting the return of the Boers who had been engaged on European missions, no terms had been agreed to. Let them give some proof of their good disposition—by explaining, for instance, how they had expended the large sums of money sent out for their use, and by handing over any balance to a Committee for the relief of distress. As for the extension of the Natal boundary, that was fixed and irrevocable, and Mr. Chamberlain pointed out that the inhabitants of Vryheid and Utrecht would be at once invested with full civic rights. On the Language question, the Government would adhere to the terms of the Treaty but always be willing to listen to any complaints on this subject.

On the same day he travelled to Johannesburg, and at once entered into negotiation with the chief representatives of the mining industry. In thanking them for the Addresses of Welcome, he said that he had come to strengthen

the hand of the High Commissioner in the gigantic task to which he had directed such conspicuous ability. He had come as a friend to that community. When they were oppressed and insulted, he had supported their appeal to the Imperial Government. He had never joined in the calumnies uttered against them—he had constantly denounced the men who had always found their own country in the wrong.

“There was yet another calumny!” he remarked. “It is said that you are prepared to repudiate your share of the expenditure. I will wait and see. I do not believe that men who have faced such dangers will show more care for their purses than for their lives.”

That the Johannesburgers would consent to make some substantial contribution towards the expenses of the War, was from the beginning assumed. Mr. Chamberlain's original idea was that the payment to be made by the two Colonies might reach the sum of £100,000,000, but in a Despatch which he received, before leaving London, from Lord Milner, the sum of £30,000,000 was suggested. It was natural, therefore, that the amount of taxation which the Transvaal mines would bear, and the mode in which the contribution might best be made, should be the subject of keen debate between the Colonial Secretary and the chief representatives of the gold industry—though one important financier and his associates refused to take part in the informal conference. Mr. Chamberlain might reasonably have expected to obtain a much larger sum than was eventually conceded. Although nearly the whole of any taxation to be imposed on the Transvaal Colony must be paid by the mine-owners, he pointed out that the interests of Town and Country, of British and Boer, were not altogether distinct. While prosperity in Johannesburg would bring custom to the farmers on the Veldt, the encouragement of agriculture would stimulate production, and tend to reduce the exorbitant expenses of living in that city. This was undeniable, but the spokes-

men of the Rand made clever and effective use of the difficulty which had been found since the War in recruiting Kaffirs for the mines. The natives, never fond of work, had earned large wages during the War, and were not disposed to take employment except at rates much heavier than the mine-owners were ready to pay. It was represented, therefore, that the industry had been brought almost to a stand-still, and that the prospects of recovery were somewhat uncertain. Things might improve, the mine-owners suggested, if the Government of the Colony would lay direct or indirect pressure on the Kaffirs, or if the Imperial Government would sanction the importation of Asiatic labour. But on neither of these points, which were certain to lead to sharp controversy in England, was it possible for the Colonial Secretary to give a definite assurance. He was, therefore, compelled to accept the terms which he announced on 16th January.

Briefly, the Imperial Government would propose a Bill in Parliament to guarantee a loan of £35,000,000 secured on the assets (united for that purpose) of the Transvaal and the Orange River Colony—a Development Loan, which could be devoted to paying off the public liabilities, buying up the railways, and constructing new lines. It would also provide for Public Works (such as irrigation) and the Land Settlement. In the second place, another Loan of £30,000,000 would be issued in annual instalments of £10,000,000—a War Debt, secured on the assets of the Transvaal, the first £10,000,000 to be taken up by the group of financiers with whom Mr. Chamberlain had been engaged in conference. Having agreed to these terms, he made the best of the bargain, and declared that it would be accepted by the people of the Mother Country as an adequate and liberal recognition on the part of the Colony of its duty to the Empire at large, and of the gratitude which it had so frequently expressed, and which he believed it sincerely felt, towards the Mother Nation which had come to its assistance in the time of need. It may be

mentioned here that the original proposal of the Johannesburgers had been for a Development Loan of £40,000,000. Mr. Chamberlain's attempt to reduce this to £30,000,000 led to a slight hitch in the arrangements. An official account of the interview was published (April 1903) in "Papers relating to the Finances of the Transvaal and Orange River Colony."

It is impossible here even to summarise the other contents of that very interesting Blue Book, but in fairness to the Rand representatives it should be said that their estimate of their own taxable capacity has been accepted by the High Commissioner. Probably, therefore, it does not err so much as was at first believed on the side of fiscal modesty. At the same time, they may safely be credited with having exercised, in their negotiations with Mr. Chamberlain, the same commercial acumen as they had previously displayed in building up their industrial undertakings. On the other hand, in accepting what he had studiously represented as a voluntary contribution, it was not open for the representative of the Imperial Government to complain that the amount was insufficient. Nor has he, since his return, complained that the contribution was lacking in generosity. He followed generally in his speech in May, in the House of Commons, the statements and inferences contained in the Blue Book, and also pointed out that about £6,000,000 of the £35,000,000 to be raised as a Development Loan would be used in the repayment of advances which had been made by the British Government, so that the full relief given to our Exchequer would be not £30,000,000, but £36,000,000. As his highest estimate before going to South Africa of the total amount to be gained from the mines had not exceeded £100,000,000, and as that amount was to spread over a long period, each instalment to be received only when it could most conveniently be afforded by the gold industry, the immediate payment of £36,000,000 was a not inadequate substitute. Moreover, it had never been contemplated

that the whole £100,000,000 would be handed over to the Chancellor of Exchequer, some part would have to go back to South Africa, and this was fairly represented by the Development Loan of £35,000,000. The net result of his negotiations was, then, that instead of £100,000,000 spread over a number of years, he accepted, on behalf of Great Britain, a War contribution of £30,000,000 (*plus* £6,000,000, repayment of debt), and £29,000,000 to be spent in the purchase of railways and other forms of industrial development in South Africa. Another and more permanent result was the union of the Orange River Colony with the Transvaal, for the purposes of Railways and other Public Works, and as a first step towards Federation.

On the Labour question it was necessary for the Colonial Secretary to practise a certain amount of reserve. The white working-men in the Transvaal were hotly opposed to the licensed immigration of Asiatic coolies, and already were declaring that it was to obtain this favour that the mine-owners were subscribing to the cost of the War. The problem appeared to Mr. Chamberlain to be one that should be left to the Colony to settle for itself. It was not a case in which the Imperial Government should interfere on either side.¹ Meantime, Mr. Chamberlain's brief visit to the East Coast had convinced him that no great stock of natives could be drawn from the regions North of the Zambesi, and the officials had impressed on him the danger of importing the "sleeping sickness" into South Africa. Nor could any great amount of white labour be hired, since Europeans of the better type refuse to work alongside Kaffirs—moreover, they are so expensive that the low-grade mines, to which the community look for future development, cannot support them.

¹ To the decision not to interfere in a matter which concerns the Colonists themselves he firmly adhered after his return from South Africa. If the general sense of the Colony were in favour of admitting Asiatic labour he should not oppose it, he said, but he should require reasonable proof that it was a policy which the Transvaal would approve if it were a Self-Governing Colony (House of Commons, July 28, 1903).

It would be desirable, no doubt, if it were possible, to establish a strong class of white working-men—if only as a counterpoise to the black element which is so rapidly increasing in the population of the towns. But this the mine-owners do not regard as practicable nor, in fact, do they wish it to be done. Nothing would be more inconvenient to the Directors and Shareholders than for the wages and conditions of labour in the mines to be controlled by a powerful Trade Union run on English lines.

Whatever might be the ultimate solution¹ of this problem,

¹ The small Commission appointed to examine the whole question did not succeed in arriving at an agreement. Their Report dealt with the requirements of agriculture, mining, railways, and other industries, and considered the supply from all available sources within the African continent. It appeared that for agriculture 77,000 labourers were required and only 27,700 were working, a shortage of 49,300; in mining 198,000 were required and only 68,000 were working, a shortage of 130,000; in other industries 70,000 were required but were nearly fully supplied; on railways with open lines 16,000 were required and 12,000 were working, a shortage of 4000; on railways new or under construction 40,000 were required, and 3000 were working, a shortage of 37,000. The total shortage of labour was 241,000.

The majority of the Commissioners (11 against 2) arrived at the following conclusions:—

1. In no way are agricultural requirements met. It is reasonable to suppose that these will greatly increase with the country's development.
2. The mining industry is 130,000 short for 6000 stamps erected, the necessary labourers for 11,000 stamps working five years hence will be great in proportion.
3. The requirements of railways and other industries greatly exceed the supply.
4. In the opinion of the Commissioners there is no source of Central or Southern African supply for the wants of the Transvaal.

The Commission declares that it is outside its scope to suggest remedies, although witnesses made many proposals, but their opinions were divergent.

The recommendations of the minority, signed by Mr. Quinn and Mr. Whiteside, were in almost direct contradiction to those of their colleagues. Their findings were:—

1. That there is sufficient labour in Central and Southern Africa for present requirements, although an effort will be required to obtain it. . .
2. That the present so-called shortage in the Transvaal is largely due to temporary and preventible causes.
3. That understanding "future requirements" to mean such as, if satisfied, will benefit the country as a whole, we consider there is also sufficient labour in the territories named above for future requirements.
4. That in many ways the supply of native labour can be supplemented and superseded by white labour.

Thus the matter stood at the end of November 1903. If the objections which are entertained by some of the white inhabitants of South Africa are overcome or

it appeared, or was made to appear in the early months of 1903, that there was but one expedient—to seek to induce the coloured population to return to underground work. Mr. Chamberlain expressed himself as not unalterably opposed to some method of indirect compulsion, as, *e.g.*, by imposing a tax which they could only pay by working for wages. He had seen with his own eyes the black idlers in the streets of Pretoria and Johannesburg; naturally, he regarded them as somewhat unfavourable exemplars of unrestrained personal liberty—nor was he yet aware how far these town loafers are from representing either the typical vices or virtues of their race. “We have abolished slavery,” he said, “in theory; but philanthropists at home would be astonished to learn that we were encouraging it in another form. The Kaffir works long enough to enable him to live in idleness for the rest of his days. He buys a wife—or, if he is unusually energetic and ambitious, two or three—and these women are, to all intents and purposes, his slaves.” Mr. Chamberlain, however, did not propose a measure of industrial coercion. It might very well lead to a Kaffir rebellion. As a temporary and partial relief, however, he arranged with the Foreign Office that the Nyassaland region should be opened for the voluntary enlistment of a limited number of miners, whose payment and conditions of labour were to be regulated under strict official supervision. Lord Milner has recently declared that “there are simply not enough natives in South Africa, if they all worked, for our growing requirements,” and favoured the importation of coolies for the railways, so as to set more Kaffirs free for the mines and agriculture.

If the visit to Johannesburg had resulted in a sub-

disregarded, and if the Legislative Council of the Transvaal pass such regulations as would modify the drawbacks associated with the importation of Asiatic labour, whether Chinese or British Indian, it remains to be seen whether it can be obtained on the very large scale contemplated by the owners of the low-grade mines. It is known that the Chinese will not submit to the restrictions which are accepted by Indian coolies.

stantial, rather than a generous, contribution to the expenses of the War, broadly it had been successful. Mr. Chamberlain had brought the Rand into hearty accord with himself personally, and with Colonial Office administration generally. There was no more demand for an immediate grant of local Self-Government, and there was much less grumbling, for the time at least, against the young officials whom Lord Milner had appointed to carry out his policy. Mr. Chamberlain carried his audience with him when he indulged in a characteristic fling at the group of financiers who had not taken part in guaranteeing the War Loan. "We must go to London," he said, "to hear that the Transvaal is anxious to throw off the yoke of Downing Street at once! Downing Street is ready to abdicate, but you do not desire that your political opponents should secure by political agitation what they have failed to secure by the sword: you do not desire to reproduce here the position in Cape Colony, where the majority of the British pray to be relieved of privileges which they believe to have been abused by others. Neither British nor Boer desires to be rid of Downing Street and to substitute Park Lane! Continue your confidence in Lord Milner." His final words were an appeal to the broader conceptions of Patriotism.

"The day of small Kingdoms with petty jealousies," he said, "is past. The future is with the great Empires. There is no greater Empire than the British Empire. The Mother Country has set the example. She has thrown off the apathy and indifference of past generations. No longer do we hear of Statesmen to whom separation from the Colonies is almost an object of desire. The Colonies, on their part, have reciprocated that feeling. They have abandoned Provincialism, and are agreed to claim their part in the glorious Empire which is theirs as well as ours. They are ready to undertake the obligations which go with privileges. That is the spirit which exists and which I desire shall continue.

“‘Unite the Empire, make it stand compact,
Shoulder to shoulder; let its members feel
The touch of human brotherhood, and act
As one great nation, true and strong as steel.’”

Before starting for Potchefstroom Mr. Chamberlain interviewed a Deputation of National Scouts to whom he made a promise that they should be protected against the “Wild” Boers who threatened to persecute them, and should be held entitled to priority in the settlement of claims arising from the War. They should have no excuse for saying that it was a bad thing to have stood by the British Government. At Potchefstroom he paid a visit to General Cronje, a party of Burghers taking the horses out of his carriage, and drawing it in triumph to the veteran soldier's house. Before leaving Potchefstroom he visited the settlements of Boer and British farmers in the neighbourhood, and at the Kaffir location he found a crowd of natives assembled around an arch bearing the words “Welcome Moatlodi” (“the man who puts things straight”). At Ventersdorp he was greeted in the most friendly way by General Delarey, who accompanied him on the trek to Lichtenburg. Here he had the opportunity of coming into close contact with the old-fashioned Boer farmers, of whom he had made the remark that “the more he saw of them the better he liked them.” In reply to the Reception Committee he delivered a warm appeal for harmony between the two races. To the friendly Boers assembled in the Market Square, he said:—

“As I have travelled in your country, I have seen the graves of British soldiers in many places, and very often these were side by side with those of Boers who had fought against them. Now both lie together in peace. Let us, who live, live also in peace. Your sufferings are perhaps greater than ours, since they have fallen on a smaller population. You have lost your property, and everything which you hold dear. Now let us see if what the War has left behind, that is Peace, shall be a lasting

Peace. Let us all join together to repair the ravages of the War, which was brought about, I believe, by a misunderstanding. You were suspicious of us, and we of you. Now let us trust each other. If there comes among you any mischief-maker from outside, tell him to mind his own business. Tell him you are grown men able to take care of yourselves. I want you to understand that the new Government will do everything in its power to secure greater prosperity even than was enjoyed by many of you under the old Government, which was called Progressive. Now you will have a really Progressive Government. Nations, like individuals, cannot stand still, but must go either backward or forward. We are going forward. In the first place, our business is to get you back to your lands. I hope you will understand that the Government has done everything in its power. It was an enormous business to bring back nearly a hundred thousand people, place them on their farms, and feed them so long as was necessary. At the same time, we had to consider the claims under the Peace terms for assistance and for goods taken by the Military. This was also a very great task. We have received more than a hundred thousand claims. These must be examined. Some are not honest claims; we must separate the true from the false; if the false were allowed, there would be so much less for the true.

“Lord Milner is about to issue a new notice stating exactly what will be done. We hope in a few months to close the business altogether. If there is anything in the notice that is not understood, you must make inquiries of the Magistrate, who will explain the point. When this is settled, we shall begin a new chapter in the history of the Transvaal. I am sure the Boers, who are an independent people, will be very glad when they no longer require Government assistance, and a good many will be able to go on with their business, and bring back the prosperity of former days. When the Government has

finished with direct assistance, it will be able to do much indirectly. The country is very rich, but at present it is not properly developed. It wants men, railways, water, and trees. Large stretches of land will be more cultivated, and you will be able to bring your produce to the nearest and best market.

"The British Government has agreed to lend £35,000,000 to the Transvaal in order to carry out your works. When these are finished, in a few years for the first time the land will have a real chance. Nature has done much, the Government will do more. There is only one thing wanting; you must not look backward but forward, and be a united people, not only at unity with the British but among yourselves. You must not carry forward the old feelings caused by the War, but must remember that the land needs the help of every son. If you adopt the principle of union, it is certain that you will soon repair the losses of the War, and your children will enjoy a prosperity such as the country has never seen before."

In a cordial speech General Delarey advised his countrymen to serve the new Government as faithfully as they had served the old. "I want you to understand," he added, "that Mr. Chamberlain is a strong man. He holds the keys, and can lock and unlock."

At Mafeking Mr. Chamberlain was welcomed by the Governor and the Premier of Cape Colony, and on entering a country where secret sedition was still rife his language became less conciliatory than when he had been addressing a brave people who had never professed allegiance to the Crown, but had frankly accepted the results of their vain struggle for Independence. Inspired, too, by recollections of the memorable siege he declared that the War, then happily over, was an undertaking which no other nation would have successfully carried out.

"The War is over, and I hope it has done much to show the strength and power of the Empire, but it has done more to show its cohesion and union. From the four great Con-

tinents men of British race poured in to join the Mother Country in the time of stress, and prove that blood was thicker than water. It was a white man's War. For reasons of policy it was considered undesirable that men other than Europeans should take part in it. Had it been otherwise, the great Empire of India could have poured in tens of thousands of valiant, stalwart troops. There is not a Colony, from the smallest to the greatest, over which I have the honour to preside, that would not have poured in troops to show that it was prepared to share in the sacrifices as well as in the privileges of the Empire. The link which bound it might appear thin as gossamer; but let an enemy try to break through—he would find it as strong as tempered steel." In reply to a "Voice," which said that he was trying to "coax the Boers," he retorted that he had not come to flatter them, but to tell them the truth. It was only the truth that they had good, strong qualities. We should like to hold the country with the Boers—we could hold it without them!

After a short halt at Vryburg where he spoke of the mischief-makers who were retarding the gift of Self-Government to the new Colonies, Mr. Chamberlain drove into Kimberley, where he was enthusiastically received by the loyal inhabitants of the Diamond City. Here, having dwelt at length on the theme which he had touched at Vryburg, he passed on to the prospects of South African Federation. In that great movement the Premier Colony should take the lead. "A free nation is springing up," he said. "You are co-heirs with us in an Empire of greater extent than the world has ever known—partners in its privileges and its glories. Are you going to be content to be sleeping partners? You must claim a share in all that the Empire represents—claim it as an honour and a privilege, to share our burdens and obligations." The patriotic note was taken up by the company. Unfortunately, however, Sir J. Gordon Sprigg—who, pluckily enough, had accompanied Mr. Chamberlain to this stronghold of British

loyalism—met with a very unfavourable reception. The cheers drawn by the Colonial Secretary's ringing appeal were mixed with hisses for the Cape Premier.

A brief visit to Bloemfontein showed that the leading inhabitants of the old Free State remained less reconciled to the results of the War than were the Boers of the Transvaal. The country, in fact, was divided into two camps under the brothers De Wet, General Piet de Wet leading the National Scouts and the Burghers who are well affected towards the Government, while his more famous brother placed himself at the head of the "Wild" Boers and irreconcilables. A Deputation headed by General Christian de Wet had prepared a Memorial complaining that the Terms of Peace had not been faithfully executed by the British authorities, and, amongst other things, demanding an Amnesty for Rebels, the immediate restoration of all Free State Burghers, compensation for losses arising from the War, and a cheaper Administration. Without waiting for the memorial to be presented, Mr. Chamberlain severely lectured the deputation, showing that no Amnesty had been promised for Rebels though many had been pardoned; that, according to the Treaty, all Burghers in the Field, and all prisoners of war, had been brought back; that the system under which compensation for losses was being administered had been fully explained; and, finally, that in spite of no fresh taxes having been imposed more was being done for the people than under any previous Administration.

If the Government were troubled with imaginary grievances he should advise it to hold its hand. It was useless to confer benefits on a people who received them without thanks and only made concession a basis for further demands. On General De Wet rising to speak, Mr. Chamberlain motioned him to sit down, on which the General expressed regret that a speech from him was unwelcome—it would come like mustard after meat. Thereupon, Judge Hertzog entered upon an argument to show that the Boer

Delegates in Europe were entitled under the Treaty to claim restoration. Before the interview came to an end, however, he explained that he had not intended to charge the British Government with bad faith, and General De Wet pointed out that the agitation which he threatened to conduct against the Government would be confined within strict Constitutional lines! The Deputation thought it prudent not to present their memorial.

Before departing from Bloemfontein Mr. Chamberlain complained that the National Scouts were still being persecuted by some of General De Wet's adherents, and that in this mischievous work the pastors of the Dutch Church were foremost, while one of them who had advocated conciliation had been visited with ecclesiastical penalties. Nevertheless, on going away, the Colonial Secretary expressed a hope that Representative Institutions would not long be withheld.

Returning from Bloemfontein to Cape Colony on 9th February, Mr. Chamberlain received at Grahamstown such a welcome as might have been expected in "a city which for nearly a hundred years had kept untarnished its name for loyalty and patriotism." He was especially gratified, he said, that in the Address presented by the citizens the name of Lord Milner had been associated with his own. Incidentally, though not in express terms, he disposed of the recently revived rumour that the High Commissioner was about to be superseded, by declaring that Lord Milner enjoyed the full confidence of the Government, and if his health were preserved would remain in South Africa to complete the great trust he had undertaken.

Speaking to a Loyalist and mainly British audience, he addressed a significant appeal to the Dutch. The "chimerical idea" of a great Dutch Republic in South Africa had been dissipated for ever by the failure of the plot to expel the British authority. If such a State had ever come into existence it could not have protected itself against the ambition of the great European Powers. But the loyal

British must show tolerance for fellow-Colonists who had been "rushed by men who should have known better." Finally, he asked them to remember that, while Great Britain had to pay heavily for the War, the people of Cape Colony had made a large profit out of it. The normal defence of the Empire cost the taxpayers of the United Kingdom £60,000,000 a year, and the recent hostilities had involved an outlay of nearly £250,000,000. We were able to bear the charge, but there must be a limit. The cost of the South African Squadron was £400,000 a year, and the annual contribution of Cape Colony was no more than £50,000. At Port Elizabeth he spoke in much the same strain, but expressed his regret that, while animosities were dying out in the Transvaal, they appeared to be growing more intense in the old Colony. Race feeling ran very high at this time in Port Elizabeth, and Mr. Chamberlain was somewhat reserved in his utterances, because he was anxious to say nothing that would excite the Loyalists against Sir J. Gordon Sprigg. The British, he said, could protect themselves. He was more anxious about the loyal Dutch, who were marked down for a persecution which it was our business to suppress.

He had also been in districts where reconciliation was delayed by the overbearing attitude of the British. "That ought not to be. What was keeping us apart? (cries of 'The Bond!' 'Sprigg!') I prefer to answer my own questions (laughter). Suspicion! We suspect the Dutch of want of loyalty; they suspect us of a desire to undermine their liberties and change their customs. There is no real ground of distrust. If the Dutch renounced for ever the aspirations of a separate Republic, would you not meet them half way? I accept the assurance; but we are entitled to ask for proof. There must be no persecution of loyalty."

At Graaf Reinet on 13th February, Mr. Chamberlain visited a well-known hot-bed of disaffection. The Dutch inhabitants took no part in the public reception. Rebel

badges were displayed in the streets, and even the more influential Dutchmen showed no sign of disapproval. These demonstrations were too open to be ignored, and the Colonial Secretary spoke in very plain terms about the disloyalty of the district, and intimated that if the Dutch wished to retain Self-Government they must show that liberty would not pass into licence. The rebellion had been absolutely without excuse. Let those who had been guilty be content that their crime had been forgiven—and not add to it. To the assurances of loyalty which he had received, he replied that they should give proof of it. His experiences at Middelburg were less unpleasant. Mr. De Waal, the Secretary of the Afrikander Bond, declared that the Dutch as a body did not intend to ostracise or boycott Loyalists, but would co-operate with them for the common welfare. Mr. Chamberlain had laid his hand on the sore of the body politic. This was distrust between the two races, and Mr. De Waal would personally help to remove it. At Paarl, however, the Dutch inhabitants ostentatiously refrained from any show of welcome, and Mr. Chamberlain again referred to the tenure on which the Constitution of the Colony was held.

“Who can say” (he remarked), “that the wants of the Paarl and the Eastern Province are the same as those of the Western districts, or the wants of Kimberley the same as those of the country districts of the Cape? The change of the political atmosphere is remarkable. Middelburg differs materially from Graaf Reinet, while Victoria West seems of a different complexion from both. I do not know yet if I can say of the Paarl whether it is loyal to the British flag, or whether—but it may be well not to put the alternative. I only note that you appreciate my refusal to suspend the Constitution. The danger to your liberties did not come from the Imperial Government or from the large minority who signed the Petition for suspension. They used arguments similar to those of the Boer Generals against an even moderately representative Government.

MR. CHAMBERLAIN AND THE LEADERS OF THE
SOUTH AFRICAN PARTY, FEB. 21, 1903.

In the course of his tour through South Africa after the war Mr. Chamberlain received a deputation from the South African Party on Feb. 21, 1903. The deputation was headed by the three chief leaders of the party, Jan Hendrik Hofmeyr (born 1845), John Xavier Merriman (born 1841), and J. W. Sauer. The South African Party is the reorganized form of the Afrikaner Bond, and is opposed to the Progressive Party, whose leader is Dr. L. S. Jameson.



From a Drawing by S. BEGG

MR. CHAMBERLAIN AND THE LEADERS OF THE SOUTH AFRICAN PARTY

They urged that what the country wants is peace and freedom from political agitation. The danger comes from those who fought against the Constitution, and showed themselves unworthy of the liberties conceded them. The Constitution must be a panacea for loyalty, not an instrument for displacing the Flag which protects you."

It was on 17th February that Mr. Chamberlain entered Cape Town, where he speedily held interviews, private and public, with all the leading politicians with whom he had not previously been acquainted. His first public utterance was uncompromising. Racial antagonism, he said, had become chronic in Cape Colony, and rebellion was exalted into heroism by men in authority. Loyalty was discountenanced and estranged, and a propaganda was being carried on, in Press and in Pulpit, which tended to widen the existing separation between the races.

A Deputation from the Afrikaner Bond presented an Address which was intended to justify their action in the past and explain their future policy. They had worked to prevent the Dutch in Cape Colony from acting on their "not unnatural sympathy" with the Boers, and they now accepted the Peace of Vereeniging as the beginning of a new era. On the other hand, they denounced the action of the Progressives in demanding a suspension of the Constitution. Before a "piratical raid" had been made on the Transvaal little had been heard of racial division, and the selection of the prime mover in that rebellious enterprise (Dr. Jameson), as the head of a political Party was singularly unfortunate. The Colonial Secretary was asked to grant an Inquiry into the administration of Martial Law, which had too often been entrusted to violent and ignorant men, who had been misled by "local intelligence agents of strong political opinions, who used their opportunities of paying off old scores with deplorable results." In conclusion, the Bond deprecated the proposals for compelling the Kaffirs to work at the mines, and hoped that at no

distant date South Africa would be federated on the Australian or Canadian model.

The Address, which was less aggressive than Mr. Merriman may have desired, was supplemented by a remarkable speech from Mr. Jan Hofmeyr, whose influence over the Cape Dutch far transcends that of any other local politician—a subtle, inscrutable Statesman, who prefers to work in the background, but is absolutely sincere in his patriotism, always open to new arguments, and ready to adopt fresh expedients. Mr. Chamberlain had already held confidential intercourse with him, and had so far succeeded in bringing him over to co-operate in the policy of conciliation that he had undertaken to issue a Circular to his Dutch supporters, urging them to abandon boycotting and exclusive dealing and to adopt a policy of reconciliation.

It was his desire, Mr. Hofmeyr said, to remove misunderstandings and promote friendly feelings. The accounts of ostracism and boycotting practised against Loyalists were, however, much exaggerated. The leaders of the Bond reprobated all offensive acts such as wearing badges of the late Republics or singing disloyal songs. The Appeal which they would address to the people would exhort them to promote a good understanding and to work for the happiness and prosperity of the two great European Nations under the one Flag.

Accepting Mr. Hofmeyr's statement that the accounts of Dutch oppressiveness had been overcoloured, Mr. Chamberlain expressed his belief that the promised Circular would produce excellent results, especially in the country districts, where feeling was most bitter. In more direct reply to the Bond Address, urging inquiry into the operations of Martial Law, he asked, "What good could be served by raking up old questions which they all agreed ought to be allowed to die down? It would be much better if the whole country were prepared to accept the Declaration of Peace as the commencement of a new

era. But, while agreeing with the Bond Leaders in principle, he was afraid that their practice was not entirely in accordance with it."

Again, the Bond had made too light of Rebellion. "I admit (he said) that the ties of race and kinship were calculated to mislead men, and on the whole it is in their favour that few of the Rebels crossed the border till they were forced by the invaders to do so. Still, ten thousand revolted—which is a large proportion when estimated on the basis of ties of kinship—and more would have joined the enemy but for Martial Law. You complain that suspicion exists, but you ought to admit that as reasonable men we have some cause for suspicion. Having granted Self-Government to the Colony for a Generation, we had some right to hope and to believe that few would join in active resistance to the Government."

Nor was it historically true to say that the feud between races dated only from the Raid. It had begun twenty-five years ago, about the time of the first Annexation. As for the complaints about Martial Law, he vindicated British officers from the charge of violence and ignorance, and quoted the favourable opinion of Lord Alverstone and his colleagues on the Commission. Nor would he reopen the whole inquiry. War and Rebellion always involved misery and suffering: the innocent had to suffer with the guilty. With those who had suffered unjustly he expressed his sympathy. If it were possible to redress such grievances there might be reason for the inquiry demanded by the Bond. But it was not possible, and it would "open a lion's mouth, as in ancient Venice, into which every charge would be poured for the satisfaction of every private vengeance."

"I should like to see Federation," he said. "I will go one step further and say I should like to see you reunited in one great Parliament of an Imperial race. But undue hurry would be fatal. Now is the time for discussion. Nothing would please me better than to know that Federation would come within the lifetime of this genera-

tion. I make a last appeal. I have come to South Africa at some 'inconvenience' to myself. I have no personal motives and no political ambition to gratify. I am older than most of those present, and my time of active service is necessarily coming to a close. I have tried to fulfil my great mission in an impartial spirit. I have spoken frankly and without reserve. I shall go away hopeful and confident regarding the rest of South Africa, and I am sanguine even here. Upon you a great responsibility lies. You are engaged in building up a new nation. What that nation shall be depends largely upon what you do now, not on the past. You have a clean slate, and I ask you to give up all kinds of animosity which can prevent co-operation for the common good, and also for that Imperial dominion which is yours as well as ours." At a banquet given on 24th February, which was attended by the leading Dutch politicians, he dwelt on the same theme, but added the intimation that a large measure of clemency might shortly be extended to the Rebels. But it must be accepted as an act of grace, not a concession to pressure.

The other side of the case was also presented to Mr. Chamberlain by a deputation of Dutch Loyalists, introduced by Sir Henry Juta. He proffered a "living mass of proof." Because a lot of men remained loyal, it was no sign of improvement. Ostracism was too real to admit of doubt. He had direct proof that the opinion was gaining ground that once more the Loyalists were going to be deserted. They were in a worse position as regards compensation, because they had been driven from their homes without obtaining receipts during the War, whereas the disloyal were undisturbed. The Cape Government had not redeemed its promise to put the Loyalists on an equal footing with the pro-Boers in the matter of the return of arms. The Memorial also gave examples of persecution in the churches and schools, and threw doubts on Mr. De Waal's protestations of loyalty.

Mr. Chamberlain, in reply, said he was sorry to hear so

unsatisfactory an account of the situation. While he advocated conciliation, he did not ask that it should be purchased at the sacrifice of conviction, or by the desertion of friends. One could not legislate against an insidious form of persecution; one could only endeavour to remove the poisonous atmosphere which makes such a condition possible. He would advise them not to lose heart, and to stand firm in loyalty to the Government, and firm to one another. They should wait for the process of compensation to be complete before they believed themselves left in the cold. As regards the "first invasion" losses, there was a clear distinction between those who were loyal and those who actually took part in the rebellion. The compensation would be on a generous scale to the loyal, but there would be none for the rebels. The "second invasion" losses were a matter entirely for the Self-Governing Colony. The Acts of Parliament draw a clear distinction in favour of Loyalists. The money at the disposal of the Commission was not more than sufficient to meet the claims of the Loyalists, and, therefore, the rebels would have nothing.

Mr. De Waal's speech was a distinct reprobation of ostracism. After the even more striking declaration by Mr. Hofmeyr, it was not good policy or generous to accept these assurances in a grudging spirit; if the Loyalists were sincere in their desire to forget the past, they must put suspicion aside. "You want to see proofs. So do I. We must both wait." Mr. Chamberlain said he did not believe that there was any difference of opinion as to the importance of a Dissolution. The existing situation was confessedly anomalous. He was assured that a Dissolution was impossible till a late period in the year. As soon as registration was complete, and the forms of the Constitution permitted, a new Parliament would speak authoritatively the opinion of the Colony. He could hold out no hope of interference by the Imperial authorities. It would be unconstitutional, and rake up old animosities.

That there was some truth in the statements of the Dutch Loyalists and some justice in their demands was as clear as that the former were exaggerated and the latter excessive. It was Mr. Chamberlain's business to hold, so far as possible, an even balance between the extremists on both sides; and the feat, difficult as it was, he seems, by general admission, to have successfully performed.

On the evening of the 25th he bade farewell to Sir Walter Hely-Hutchinson, and started on the homeward voyage in the *Norman Castle*. Mr. and Mrs. Chamberlain arrived at Southampton on 14th March, where they were welcomed by a deputation from the Colonial Secretary's constituents in West Birmingham. "I am very glad," said Mr. Chamberlain in reply, "that you have mentioned my wife in your Address, for her companionship and help have been of the greatest help to me. I do not know how I should have got through my work without her assistance and co-operation." To the Mayor and Corporation of Southampton he declared that he returned in a spirit of hopefulness, even of confidence, though they must not over-rate the results already achieved by his mission.

His arrival in London, though intended to be private, was made the occasion of a popular demonstration, and on the next day he was summoned by the King to Buckingham Palace. On the following Saturday (20th March) he was received at the Guildhall, and entertained at a public luncheon by the Lord Mayor at the Mansion House. After a general review of his work in South Africa, and of the views he had formed and the prospects he entertained, he pointed out that the Imperial idea had only recently taken root in this country:—

"We have only to look back in the lifetime of many of us to remember a period of apathy and indifference in which our Statesmen were eager chiefly to rid themselves of responsibility, and felt that home affairs were as much as they could properly be called upon to attempt. At that

THE CIVIC RECEPTION AT THE GUILDHALL

MARCH 20, 1903

Very shortly after his return from his tour in South Africa, Mr. Chamberlain was accorded a formal civic reception by the Lord Mayor and Common Council of the City of London. He was received in the Library of the Guildhall, and then the City Sword and Mace-Bearers marshalled the Lord Mayor (Sir Marcus Samuel) and the Colonial Secretary to the dais within the Guildhall. As they entered, the large and distinguished audience rose and cheered enthusiastically. The Great Seal of the City, which usually stands in the Council Chamber, was removed to the Guildhall for the holding of a special Court of Common Council. After the presentation of an Address the more distinguished members of the company adjourned to the Mansion House, where luncheon was served.



From a Drawing by S. BLGG.

THE CIVIC RECEPTION AT THE GUILDHALL, March 20, 1903

time our Colonies were crying in vain for our sympathy. And now we have gone ahead; now, I think, perhaps, we are even in advance of our Colonies. Not, indeed, that there is on their part—as I have had sufficient testimony—any indifference to the common interest, or any want of feeling or affection, but that their own local affairs have become so important and absorbing that, perhaps, they have failed to appreciate adequately all that is due from them as members of the Empire to which they are proud to belong.”

It is too soon to form an opinion on the progress of pacification in South Africa. The machinery of Government has been working smoothly enough, but that may only be because the Imperial authorities have an assured majority in the Councils. Some disappointment was expressed because General Botha and other recognised Boer Leaders would not co-operate in the Administration. But if they had associated themselves with the British so closely, and so soon after the War, they would have been called traitors by their own people. It was, however, unfortunate that General Botha, who had been one of the Moderate Party in the old Raad at Pretoria, should, as Mr. Chamberlain said in the House of Commons on 30th July, put himself forward as a leader of the Irreconcilables. The letter which he had sent to Mr. Leonard Courtney for publication in England was, no doubt, a mischievous document, because it dwelt only on the shortcomings of the Government of the Colony, and made no allowance for difficulties, while it did not give a faithful record of the mere facts. But neither this misleading document nor the speech which he delivered at the great Boer meeting at Heidelberg, on 2nd July, contained anything absolutely disloyal. There was no sentence in either that could be construed as even a veiled incitement to sedition—nothing which passed the licence claimed in this country by an Opposition orator in dealing with the Cabinet of the day. That such criticism could be tolerated, and that no evil

results have ensued, is the best evidence that the country is settling down, and that racial animosity in the new Colonies is certainly not more dangerous than at the Cape. Indeed, General Botha admitted that the misgovernment of which he complained pressed as hardly on the British as on the Boers: "You must not infer," he wrote, "that the Boers are seething with discontent. There is a wonderful calm everywhere observable." All their energies were engaged, he added, in rebuilding their homes and repairing the losses of the War. In his speech, made nearly three weeks later, he declared that the Boers were not going against the Government. They wished to stand shoulder to shoulder with it, and help it through any trouble in the country. But they wanted "these big questions"—Amnesty for Rebels, more of the Dutch language in the schools, the admission of the Asiatic labour, the Black Vote, and the War Debt—to be settled by Boer opinion, and with Boer approval.

In opposition to the old maxim, *Divide et impera*, the British have set themselves to mitigate sectional jealousies and racial feuds by working gradually towards the Federation of the various Colonies. The first step in this direction was taken by the Bloemfontein Conference, convened for the purpose of establishing a Customs Union. A further development of the Movement is the Order in Council forming an Inter-Colonial Council for the Transvaal and Orange River Colony. The object was thus explained by Lord Milner:—

"The important work before the Legislatures of both Colonies is great. Indeed, in the case of the Transvaal it might almost be said to be appalling. They will both be better able to cope adequately with the enormous amount of work before them, if they are not called upon to deal, in addition, with the matters which it is now proposed to reserve for an Inter-Colonial Council. . . . The Council, which is constituted by the enclosed draft, would be one of high authority, representing, as it would, the Executive

and Legislative Councils of each of the two Colonies concerned. It could not be open to the charge of being unrepresentative, and its influence would be such that neither of the local Legislatures would be likely to cavil at its decisions, which they would in any case be unable to alter."

As regards the policy of the proposed Measure, Lord Milner added that the more he considered it the more convinced he was of its desirability and importance. "I see great possibilities of development in it, affecting much more than the two Colonies. So far, the policy of linking the two Colonies more closely together in regard to their common interests has proved the greatest possible success. I could not have believed six weeks ago that we should have got through the numerous difficult and conflicting questions which presented themselves to the Railway Extension Conference, and subsequently to the Bloemfontein Conference, as smoothly and satisfactorily as we have done. The result is largely, if not entirely, due to the fact that at the former Conference we eliminated the idea of any conflicting interest between the Transvaal and the Orange River Colony in railway matters, and thereby we succeeded at the latter Conference in getting the two Colonies to work absolutely as one. Though six months ago no one dreamt of unifying the two Colonies in any respect, now that the thing has been done, or rather started, the advantages are so obvious that apparently no one is seriously opposed to it, while the great body of public opinion seems cordially in favour of it. No doubt the position would be very different if any attempt were made to amalgamate the two Colonies altogether. . . . In the proposed Constitution, all matters into which local sentiment and tradition enter, and in which diversity of action would be harmless, and perhaps even useful, are left to the Local Governments. I would only say, in conclusion, that the basis on which I propose that any contribution to the Common Budget should be levied, and also

the basis on which it is suggested that any surplus should be divided, though they may appear somewhat arbitrary, have really been carefully thought out, and discussed with good financial authorities. The Customs duties, especially when the Customs Union is introduced, will be the best measure (a better measure than the sum of taxation) of the comparative resources of the two Colonies; and, therefore, of their comparative ability to contribute towards the common burden."

On 23rd May, Mr. Chamberlain transmitted to Lord Milner an Order in Council establishing the new Council founded on the draft of the High Commissioner. Mr. Chamberlain added: "In view of the considerations advanced in your Despatch of 16th February, the present Measure is to be regarded as a financial necessity for securing efficient control and harmonious administration in regard to certain matters of common interest, whilst leaving to the two Colonies perfect freedom as to their individual necessities and aspirations. It is mainly by these considerations that I have been actuated in submitting the Measure for the approval of His Majesty in Council; but, judging from the spirit which prevailed at the recent Customs and Railway Conferences, I am led to believe that it will also be welcomed as a step towards the closer union of British South Africa."

It cannot be said, however, that there are at present any indications that Mr. Chamberlain's characteristically sanguine forecast will find immediate fulfilment. In Cape Colony the Bond Party, at the recent elections for the Legislative Council, have all but maintained their previous position, nor is there any reason to expect a more decisive defeat in the case of the Assembly. The leaders of that organisation, though not actively disloyal, are by no means anxious to obliterate race distinctions, or to acquiesce in any developments of an Imperial policy. They are, what they have always been, essentially and radically Dutch, and on that account they must be, more or less, anti-British.

Neither the defeat of the Boers, the conciliatory language of Mr. Chamberlain, nor the equity of Lord Milner's administration has made, as yet, the slightest impression on their minds, or modified, in any perceptible degree, their dislike of the British element in South Africa, and their stolid determination to work, by open and by underground methods, for the establishment of Dutch supremacy.

The Boers in the new Colonies, who have gone through the hard mill of war, are, perhaps, more amenable to an order of things which they see no present means of changing. Probably they would be content to labour, in their desultory yet not ineffective manner, on their farms if the prospect were to become somewhat brighter. But the expected development of markets for agricultural products has been delayed by the prolonged depression at the centre of the gold-mining industry. Until this has been relieved, whatever may be the means employed, it seems idle to hope for political progress, or to look for any satisfactory results from the institution of Responsible Government. This, it is known, is one of the Measures which Lord Milner expects to see adopted at no distant date, and it was, no doubt, with the idea of laying aside some of the autocratic powers with which he has so long been invested, that he started on November 28th on his return journey to South Africa—having declined Mr. Balfour's flattering proposal that he should succeed his late Chief as Secretary of State for the Colonies.

A certain amount of support is, however, given to Mr. Chamberlain's forecast of the future of South Africa by the Report recently presented (November 17, 1903) by Mr. Henry Birchenough, who had been appointed by the Board of Trade to inquire into and report upon the present position and future prospects of British trade in South Africa. Mr. Birchenough left England on January 3 last, and, after staying a week in Cape Town, went to Johannesburg, where he remained for two months "studying the trade problems of the Transvaal, and especially the

great mining industry and projected public works, upon which the future prosperity of South Africa so much depends." He accompanied Lord Milner and Mr. Chamberlain to Bloemfontein, and thus had opportunities of meeting representatives of nearly every town in the Orange River Colony. He visited various parts of the Transvaal, especially where great industries are likely to spring up, such as the coal and iron districts and the new gold and diamond claims. He made a trip also to Delagoa Bay, to see the port of Lourenço Marques. Late in March he went down into Natal to study the conditions of that Colony. Returning to Johannesburg he struck across to Kimberley, and from there traversed the Eastern Province of Cape Colony. Time did not permit him to visit Rhodesia, though he met many Rhodesians who furnished him with information. In a statement of his journeys and the methods of his investigations, he says there is undoubtedly among all classes in South Africa a strong and patriotic desire, in view of the sacrifices of the late War, to keep as large a proportion as possible of the trade of the Colonies in British hands. Over and over again he received assurances from importers and buyers that preference was being given, and would continue to be given, to British products and traders. "The moment is, therefore, peculiarly favourable for the extension of British trade, and for the establishment of a sound and practical system of commercial intelligence between Great Britain and the South African Colonies."

The Report is divided into two parts. The first is introductory, and deals comprehensively with the condition and resources of the South African market and with New Openings for Trade—and in this division there are thirteen Sections. Part II. treats of foreign competition in South Africa, and consists of eight Sections. After a short review of the trading conditions—a sketch of the manner in which import business is carried on by the coast houses and their up-country branches—and a description of the

port facilities of the region, Mr. Birchenough enlarges upon the magnitude of the South African markets, giving statistics which show that in ten years (1893-1902) the total imports have increased in value by nearly 250 per cent, by far the greatest increase taking place in the last two years:—

“The rapidity with which South Africa has come to the front as a great market for British manufactures is almost startling. Ten years ago, in 1893, Great Britain's exports to South Africa were valued at a little under 9 millions; last year they almost reached 26 millions. In 1893, South Africa stood sixth on the list of Great Britain's customers; last year she stood second. She had left America, Germany, France, and Australia behind, and was only beaten by India. It is no rash prediction that this year she will pass India and stand first on the list as the largest buyer in the world of the produce and manufactures of the Mother Country.”

Further statistics show that whereas in 1893 South Africa took only about 4 per cent of our total exports, last year she took 9 per cent of our exports to the whole world, and 23.6 per cent of our exports to British Possessions. Her purchases from us last year were three times as great as those of Russia, Holland, Belgium, or China, and five times as great as those of Brazil, Argentina, and Japan:—

“South Africa is already our best customer for mining machinery, cutlery, hardware, cast and wrought iron, steel manufactures, ready-made clothing of all kinds for men and women, haberdashery and millinery, boots and shoes, saddlery, and spirits; our second best customer for paper, cement, locomotives, iron and steel wire; and third on the list for angle, bar, and galvanised iron. She takes two-thirds of the boots and shoes, two-fifths of the mining machinery, and one-third of the apparel and slops exported from the United Kingdom.

“Already the expansion of business is rendering necessary great increases in the dock and harbour accommodation at the Cape and Natal ports, as well as railway extension in all directions, and immense additions to rolling stock and railway material. There is no branch of reproductive public expenditure which is not being stimulated. If proof were needed of the prosperity and increased means of traders, it is to be found in the magnificent stores and warehouses which are

being erected in Cape Town, Port Elizabeth, East London, and Durban. One other point deserves notice as an element in future commercial wellbeing, that is, the marked improvement in the credit of individuals. I was repeatedly informed that the War had effected a great and important change in this direction, partly by weeding out many weak traders, and partly by putting money into the pockets of others. The decline of the 'supported' house system was pointed to as collateral evidence of this fact. People, who before the War required financial assistance, can now stand on their own feet, and buy where they can buy best and cheapest."

But, whatever the prosperity of the other Colonies may be, the Transvaal is the pivot on which the immediate commercial prosperity of the country turns, and here there are all the elements of exciting developments. "It is difficult to speak of the eventual future of the Transvaal without appearing to use the language of exaggeration." There is reason to believe that the existing mines "represent rather the opening than the closing of a great chapter in the history of gold mining. Hardly a month passes without some discovery being made which adds to the known extent of the gold-bearing districts." There is coal in the Transvaal and Orange River Colonies, enormous iron deposits in the Middelburg-Ermelo region, diamond-bearing farms near Pretoria which may one day rival those of Kimberley, and other metals in paying quantities:—

"Reports of valuable finds of gold, copper, and diamondiferous ground have come in lately from the Limpopo; coal is reported near Spelonken, and a banket formation in the Zoutspanberg, while discoveries of silver, tin, and thorium are reported from the neighbourhood of Steynsdorp. In view of the results already attained, and of the wide areas which are still open to the labour of the prospector, one need not be very sanguine to form a high estimate of the mineral wealth of the new Colonies."

Mr. Birchenough then proceeds to review the existing gold-mining industry:—

"There are some special characteristics of the industry which in the interest of British trade it is important to bring out in sharp relief, because I am convinced that a certain confusion has arisen in the minds,

not only of a large section of the British public, but of a considerable number of British manufacturers, between the speculative character of Stock Exchange dealings in what are known as 'Kaffir' Shares, and the very solid industry which lies underneath. Much of the uncertainty and distrust which belongs to such speculations has most unjustly attached itself to the industry itself. Perhaps it is not unnatural. If one can imagine an habitual gamble in the Shares of the numerous limited Companies which carry on cotton-spinning in this country, no doubt a similar confusion would arise with regard to that industry also. There is a sense in which it may be said to be the misfortune of Transvaal gold mining that the great financial groups which control it carry on two businesses, one the purely industrial enterprise of working mines, the other the entirely financial operation of floating new propositions, and that their direct interests are at times more closely engaged in the latter than in the former."

Without taking into account other fields, Mr. Birch-enough thinks the Rand industry is capable of much greater expansion in the future; and he gives figures for this belief exclusive of a large area of deep level ground. "The great groups estimate that given a sufficient supply of labour they will be able to spend in the next fifteen years a sum of over £50,000,000 sterling in new developments and equipment." The Report reviews in detail the various railway projects in South Africa. The concluding paragraph says:—

"It must be pointed out that railway extension in the various Colonies necessarily involves a constantly increasing importation of railway stores of all kinds, other than rolling stock, such as rails, points and crossings, bridge material, water-pipes, and fittings, tanks, building material, oils, iron and steel, copper and brass, waggon-covers, electrical machinery and appliances, stationery, uniforms, and a thousand and one miscellaneous items. It also implies the enlargement of fitting-shops, foundries, &c., with their necessary equipment of machine tools, pneumatic tools, electric power and lighting machinery, all of which can and ought to be supplied from Great Britain. Since the transfer of the Netherlands Railway to the Government of the new Colonies, all the orders for railway material which formerly went almost entirely to foreign countries come to Great Britain. It is estimated that close upon £3,000,000 has been spent in Great Britain upon rolling stock for these two Colonies since the British occupation, and that from £500,000 to £800,000 per annum will be so spent for some years to come. If to this

be added the additional material and rolling stock required for Cape Colony and Natal, not to mention Rhodesia, it will be seen how great a market the future offers to our manufacturers."

Other Public Works and Municipal undertakings are specified and treated as constituting "a great and promising opening for trade," which British engineers and manufacturers should carefully watch. Mr. Birchenough then gives an animated review of private enterprise—in the building trade there is "extraordinary activity"; in agriculture there is a large demand for implements of all kinds, fertilisers, seeds, and possibly breeding stock. But though Mr. Birchenough writes optimistically of general trade, he points out that the inflation of prices, and consequent high cost of living, limit and check expansion; and he offers a serious warning on the subject of "rings":—

"One cannot conceal from one's self the fact that the free play of competition in South Africa is more or less paralysed by the influence of 'rings', not necessarily definitely organized combinations of any kind, but more or less powerful interests. The shipping 'conference' is a common and well-known example, but there are in all branches of trade influences which keep both wholesale and retail prices and profits at a very high level. It is a delicate and difficult matter to determine what is a reasonable profit in trade, but there is a general impression in South Africa that the profits of middlemen and distributors are of such a character as to form an important factor in the inflated prices which are current. With a freer play of competition, such as time will assuredly bring about, there would be a lowering of the general scale of prices, and a consequent decrease in the cost of living. It is more than probable that traders would be compensated by the greatly increased volume of business they would transact. Certainly the general interests of trade lie in the direction of a large consumption at moderate prices rather than a moderate consumption at high prices."

The Report then proceeds to deal with the subject of Foreign Competition. It appears that there are (1) whole branches of trade in which Great Britain stands supreme; (2) other trades in which we hold our own but encounter keen competition which shows signs of absorbing particular departments; and (3) a few branches in which we are

actually behind our competitors—for example, we are “completely beaten” by the Americans in agricultural implements, and very hard hit by Americans and others in steel frame construction and electrical engineering. Our chief competitors are undoubtedly America and Germany, with Belgium and Switzerland in the second rank:—

“America is undoubtedly our most formidable rival present and future. The actual amount of her imports of competitive articles is not very great—it is about one-half of her total importations—but it is growing rapidly both in volume and variety. It is impossible to visit ports, warehouses, stores, or mines without being struck by the extraordinary vitality of American trade in South Africa. The reasons for this will be given later. It is sufficient to point out here that, so far, American manufacturers have confined their attention chiefly to the trades in which the natural resources of their country, or their experience at home of conditions similar to those which prevail in South Africa, or their well-known ingenuity and inventiveness, give them special advantages. This is why they have been able to dominate the trade in agricultural implements and in steel frame construction, and to obtain so firm a hold upon all departments of mining machinery.”

The competition of Germany, though far less serious, is much more general. “She nibbles at nearly every article of importance, but does not make a very serious impression upon any”—except in certain imported articles of which a list is given. But so far as Mr. Birchenough could judge “there is no branch of engineering work in Johannesburg of which British manufacturers might not obtain an absolutely predominating share if they would lay themselves out to study minutely the special needs of the market, modernise their methods, and display the vigour, enterprise, and adaptability which are shown by the best of their rivals.” In this part of the Report there is a full description of the ill-effects of the Shipping Rings and preferential rates of freight by sea and rail to it. Passing to the summary of conclusions, we are told that the expansion of trade may be expected to follow the lines of—

“1. The development of the various mining industries—gold, coal,

iron, and diamonds, involving a large capital outlay for equipment, and a greatly increased consumption of imported stores.

"2. Railway extension in the different Colonies with an immediate demand for material and rolling stock.

"3. Government expenditure upon docks and harbours, public buildings, irrigation works, &c.

"4. Necessary and pressing Municipal outlay upon sanitation, water supply, electric lighting and traction, public offices, &c.

"5. Private enterprise of all kinds, both in the extension of old and the creation of new industries, building operations, &c.

"6. The extension of agriculture and its prosecution upon more modern and scientific principles than have been practised hitherto.

"7. The concomitant increase in the demand for general merchandise of all kinds, to satisfy the demands of a larger and more prosperous population, white and black."

Among particular causes of the success of foreign competition are the following:—

"Superiority of some natural resources.

"Experience in dealing with similar local conditions.

"Greater exercise of ingenuity and inventiveness.

"Closer study of local requirements resulting in the adaptation of goods to special local needs.

"Greater alertness and adaptability—less conservatism.

"Superiority of some business methods.

"Quicker delivery and adherence to contract dates.

"Adoption of standard types and standardisation of parts.

"Better finish and make-up.

"More scientific packing.

"Dumping in South Africa of surplus goods from protected home markets.

"In the case of the engineering trades a better system of representation.

"The presence on the mines of American engineers favourably disposed to American machinery.

"The practice of German mining groups in giving their orders to German makers."

The following is Mr. Birchenough's summary of general suggestions for the more effective meeting of foreign competition:—

"1. A more careful study on the part of British manufacturers of the local conditions and special requirements of the South African

market. Nothing will stimulate this so much as the personal visits of principals and directors of British firms.

"2. In view of the great and increasing importance of the market, more vigour and enterprise in attacking those branches of trade in which we are weak, and less conservatism in general business methods.

"3. Better and more authoritative representation, especially in Johannesburg, where direct representation is absolutely necessary. If firms cannot afford a representative of their own, members of allied trades should combine and employ a man to represent them jointly.

"In the engineering trades representatives should be men of both technical and business training, and should be given as much discretion as possible in quoting prices for large contracts.

"4. A more liberal system of credit in Johannesburg involving a frank acceptance of the mines' terms. Business should be financed from the British side and not in Johannesburg.

"5. Prompter delivery and a closer adherence to contract dates.

"6. Larger stocks of standard types of machinery, of fittings, and of spare parts.

"7. Standardisation wherever possible.

"8. Greater attention to make-up and finish.

"9. More scientific packing in all branches of trade.

"10. Further improvements in catalogues and advertising."

"11. More information to be given, especially to the engineers and buyers of Colonial Governments and municipalities.

"12. More attention to small details of all sorts.

"13. The training of British engineers to take a larger share of the most important posts in the mines.

"14. Maintenance in British hands of the financial control of as many undertakings as possible.

"15. The cheapening of production by the better and more modern organization and equipment of works and manufactories.

"16. Uniformity of British and foreign freights.

"17. Through rates and through bills of lading from the place of manufacture to destination."

Much valuable matter is contained in the Appendices to this Report, but these relate chiefly to the interests and prospects of special trades and manufactures.

CHAPTER XIX

STEPS TOWARDS FEDERATION

Early in 1897, Mr. Chamberlain took advantage of the approaching celebration of the late Queen's second Jubilee to invite the Premiers of the Self-Governing Colonies to attend a Conference in Downing Street.

This was by no means the first occasion on which the Premiers of the Self-Governing Colonies had assembled. The first important meeting had been convened in London under the auspices of the Imperial Federation League. It was addressed by Lord Salisbury, who pointed out the difficulties interposed in the way of a Customs Union by the different fiscal policies of the various parts of the Empire, though he regarded such an arrangement in the future as by no means impossible. The first business, however, was union for defence. Mr. Chamberlain, speaking of the Conference after it had been dissolved, expressed his belief that the existing tie between Mother Country and Colonies was essentially a temporary one; it must be strengthened by Federation or it would be loosened altogether. A number of points were set down for discussion, and, practically, they covered the whole ground of Imperial Federation. Subsequently, however, the movement languished, and was only revived in 1894 at the Ottawa Conference, at which three Resolutions were passed (1) in support of a Customs arrangement between Great Britain and the Colonies under which trade within the Empire might be placed on a more favourable footing than that on which trade is carried

on with foreign countries; (2) that until this could be settled Great Britain and the Colonies should place each other's products on a more favoured basis than those of foreign countries; and (3) that all clauses in existing Treaties which prevented the Colonies from making arrangements for reciprocity amongst themselves or with Great Britain should be removed, and power should be given to the Colonies for making such agreements. But nothing could be done in pursuance of these suggestions, as Germany and Belgium both declined to modify the existing Treaties, and as public opinion in this country was by no means ripe for insisting on the abolition of these restrictive covenants. The Liberal Government of the time were not opposed—in principle, at least—to the establishment of an Imperial Customs Union, as Lord Ripon, who was Colonial Secretary at the time, has recently declared (Bradford, Nov. 24, 1903). But by an Imperial Customs Union they meant the abolition, throughout the Empire, of all taxation not levied for purely Revenue purposes. That, of course, was a scheme which the Colonies had not suggested or contemplated—which, indeed, their financial conditions would not have permitted them to carry out. The following passage, quoted by Lord Ripon, is taken from the Despatch written on behalf of the Imperial Government:—

“The Resolution (of the Ottawa Conference) does not advocate the establishment of a Customs Union comprising the whole Empire, whereby all the existing barriers to free commercial intercourse between the various members would be removed, and the aggregate Customs Revenue equitably apportioned among the different communities. Such an arrangement would be in principle free from objection, and if it were practicable would certainly prove effective in cementing the unity of the Empire and promoting its progress and stability. But it was unanimously recognised by the Delegates that the cir-

cumstances of the Colonies make such a union, for the present, at any rate, impossible."

Nothing, therefore, was done or attempted to be done until the Conference of 1897.

The proceedings, as Mr. Chamberlain explained in his opening speech on 24th June, were to be of a somewhat informal nature, *i.e.*, the Resolutions arrived at were not to be binding on any of the communities represented, and it was the desire of the Colonial Office rather to elicit expressions of opinion from the visitors than to put forward any views or proposals of its own. The subjects proposed for consideration were: (1) The Political Relations between the Mother Country and the Self-Governing Colonies; (2) Imperial Defence; (3) Commercial Relations; (4) The construction of a Pacific Cable passing through exclusively British territory; and a number of minor questions, which included the institution of an Imperial Penny Postage, and the regulation of Alien Immigration.

With regard to establishing a closer political connection between the Mother Country and the Colonies, Mr. Chamberlain declared that here, at least, the idea of an Imperial Federation was "in the air," but he plainly intimated that Colonial opinion, so far as he could tell, was not yet ripe for any practical proposals in that direction. If it was ever to be accomplished, it would be after the lapse of a considerable time, and only by gradual steps. One of the surest advances towards that end would consist in the grouping of the Colonies. Canada had shown the way, Australia was following, and in South Africa the idea had bulked largely in the past, and would probably come to the front again. There was, however, one suggestion—merely a personal one—which Mr. Chamberlain wished to place before the Premiers. This was for setting up some "better machinery of consultation" between the Mother Country and the Self-Governing Colonies. It might be possible to establish "a great Council of the Empire" to

which they would send representative plenipotentiaries, not mere delegates unable to act without reference to their respective Governments, but "persons who by their position in the Colonies, and by their close touch with Colonial feeling, would be able, upon all subjects submitted to them, to give really effective and valuable advice." If such a Council were to be created, it would at once assume immense importance, and might develop into something still greater; indeed, it might grow into a Federal Council. The opinion of such a body would be taken by the Legislatures of the Mother Country and the Colonies alike, and would weigh most materially, on "all minor matters of common interest."

"There is," Mr. Chamberlain proceeded, "only one point in reference to this which it is absolutely necessary that we all should bear in mind. It may be that the time has come—and, if not, I believe it will come—when the Colonies will desire to substitute, for the slight relationship which at present exists, a true partnership, and in that case they will want their share in the management of the Empire—which we like to think is as much theirs as it is ours. But, of course, with the privilege of management and of control will also come the obligation and the responsibility. There will come some form of contribution towards the expense for objects which we shall have in common."

This was the difficulty which led to the temporary failure of the scheme. The majority of the Premiers were not prepared to recommend any proportionate contribution in aid of Imperial expenditure—at least for the present, though Mr. Seddon (New Zealand) and Sir E. N. C. Braddon (Tasmania) thought that the time had already arrived for strengthening the ties between the United Kingdom and the Colonies. The other Premiers, or most of them, agreed that the present relations could not continue indefinitely, and that some means must be devised for giving the Colonies a voice and control in

matters of Imperial interest. But as this would involve the voting of Colonial money, the whole matter must be postponed, and the idea of any radical reform was shelved by the collective declaration that "the present relations between the United Kingdom and the Self-Governing Colonies are generally satisfactory under the existing condition of things."

On the question of Imperial Defence, Mr. Chamberlain pointed out that the Army and Navy were being maintained, "not exclusively or even mainly," for the benefit of the United Kingdom. During the reign of Queen Victoria, it would be found that every War, great or small, in which we had been engaged, "had at the bottom a Colonial interest—the interest of a Colony or a great Dependency like India." If we had no Empire it would not be necessary to spend anything like what we were spending either on the Army or Navy. Here Mr. Chamberlain adverted gently to the position which the Colonies would occupy if they were separated from Great Britain. Canada had 3000 miles of frontier exposed to a powerful neighbour, and might be brought into conflict with the rising power of Japan or even with the great Russian Empire. The interests of Australia had been threatened on more than one occasion by the two greatest military nations of Europe, each the possessor of a powerful fleet. In South Africa the British settlers were confronted with domestic rivals, heavily armed and prepared both for offence and defence—not to mention the ambitions of Foreign Powers.

"What" (Mr. Chamberlain said) "I want to urge upon you is—and in doing so I think I am speaking to those who are already converted—that we have a common interest in this matter, and certainly it has been a great pleasure to us, a great pride to us, that Australia, in the first instance, offered voluntarily a contribution in aid of the British Navy, besides taking her full share of her own military defences. Now we have to recognise that

the Cape Colony has followed in that patriotic course. I do not know upon what conditions these gifts may be offered or continued, but, at all events, the spirit in which they have been made is most heartily reciprocated in this country. The amount, of course, is at the present time absolutely trifling, but that is not the point. We are looking to the Colonies as still children, but rapidly approaching manhood. In the lifetime, perhaps, of some of us we shall see the population doubled, and certainly in the lifetime of our descendants there will be great nations where now there are comparatively sparse populations; and to establish in the early days this principle of mutual support, and of a truly Imperial patriotism, is a great thing of which our Colonial Statesmen may well be proud."

Now, though a committee of experts had done something for Colonial Defence, the military preparations were still behindhand. If War broke out it would be sudden: there would be no time then for preparation. We ought to have beforehand a common scheme of defence against any possible or, at least, any probable enemy. Some of the Colonies had already presented schemes—others had not done so. Mr. Chamberlain believed—with more justification than, perhaps, he knew—that it was "most desirable that this omission should be repaired."

After dwelling on the necessity of uniformity in arms and equipment, the provision of central stores, and the military training of the local forces, he said he was looking forward to something much greater than the interchangeability of the several groups of Colonial contingents. He would unify, to some extent, the whole military strength of the Empire:—

"That is a matter which also can be arranged, and to which we shall bring, at all events, the utmost good will. If you have, as Canada has at Kingston, an important Military College, it may be possible for us to

matters of Imperial interest. But as this would involve the voting of Colonial money, the whole matter must be postponed, and the idea of any radical reform was shelved by the collective declaration that "the present relations between the United Kingdom and the Self-Governing Colonies are generally satisfactory under the existing condition of things."

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offer occasionally, to the cadets of that College, commissions in the British Army. But a still more important matter which has suggested itself to my mind, and which now I desire to commend to your earnest attention, is a proposal which may be described as the interchangeability of military duties. To put it into plain English it means this: that, for instance, a Canadian regiment should come to this country, take up its quarters for a period of time, at least twelve months, with the British Army, and form, during the whole time that it is in this country, a part of the British Army, and that in return a similar regiment of British troops, or a brigade of artillery or cavalry, should go to Canada, and should reside and exercise with the Canadian Army, and form a part of that Army. The idea is that this should be chiefly for the purpose of drill and instruction, and I cannot doubt that it will be of enormous advantage to the Canadian troops, and to the troops of the Colonies, to measure themselves against the Regular Army, and to learn the discipline and the manœuvres which are practised on a large scale in this country.

“But my imagination goes even further. It seems to me possible that, although in the first instance the idea is that such a regiment coming to this country would come solely for that purpose, and would not be engaged in military operations, yet, if it were their wish to share in the dangers and the glories of the British Army, and take their part in expeditions in which the British Army might be engaged, I see no reason why these Colonial troops should not, from time to time, fight side by side with their British colleagues. That, however, is a matter which, like everything else which I am putting before you, is not a recommendation which has any pressure behind it; it is merely a suggestion to be taken up by you voluntarily, if it commend itself to your minds. What I have suggested might take place with regard to Canada, I believe, might equally take place with regard to such

fine forces as those of which we have seen representatives from some of the Colonies of Australia, and might take place also with regard to the South African Colonies."

On the military question practically nothing was done by the Premiers: they listened to the statement from Captain Nathan, Secretary of the Colonial Defence Committee, and promised to refer the suggestions they had heard to their respective Governments. In a general way they approved the proposal for an occasional exchange of military units, and were informed that the War Office would make an offer for the exchange (or conversion) of the Martini-Henry rifles for those of smaller calibre employed in the Imperial forces.

But a more definite understanding was needed as to naval matters. The First Lord of the Admiralty (Mr. Goschen) removed a misunderstanding which had gained currency as to the wishes of Whitehall. The Government highly valued the principle of a Colonial contribution to the Navy, though the present amount was "inconsiderable."

"From the strategical point of view," said Mr. Goschen, "we should be glad that the Admiralty should have a free hand. I was glad to see that it has been acknowledged by the Premiers that the operations of the Australian squadron in the Solomon Islands, and generally in the Pacific groups, have a distinct Colonial as well as an Imperial interest, and that no complaint could be raised against the employment of ships on the Australasian station for purposes so distinctly Colonial as many of these purposes are, though such employment might carry the ships to a considerable distance from the Continent of Australia. But, apart from this, the object for which we want a free hand is to be able to conduct the defence of Australia on the same principles as those which we should follow in the defence of our English, Scotch, and Irish ports, principles which exclude our undertaking to detach ships to particular ports. For instance, we could not undertake to post one ship at

Sydney, another at Adelaide, and another at Melbourne. We must rely upon the localities themselves for the defence of these ports, while, on our part, we undertake that no organised Expedition should be directed against any part of Australia. No organised Expedition could be sent either from Japan, or from the United States, or from France, without the full knowledge of the Admiralty. That I assume. We are too ubiquitous for any such Expedition to be secretly organised. If it were organised, our whole strength would be directed to defeating such a movement. I see it has been suggested in a previous discussion that possibly we might, under stress, take away the ships which may be on the Australian Station, and for which you have partly paid and on which you rely, in order to send them to some distant quarter. But I cannot conceive any case, unless we lost actually our sea power, when we should think it our duty not to defend so valuable a portion of our Empire as Australia, New Zealand, and Tasmania, for the safety of which we hold ourselves responsible in the same way as we hold ourselves responsible for the safety of the British Islands. I put this very strongly, so that there may be no apprehension. In all our strategical combinations we have never conceived the possibility that we should expose such Possessions as the Australian Colonies."

The "misunderstanding" had arisen from a speech in which the Duke of Devonshire had protested against the policy of "hugging the shore." The proper tactics for the Navy were aggressive; hunting down the enemy's ships and attacking his Possessions—by Australian vessels, *e.g.*, being directed against his ships and Possessions within the Australian zone. "Hence"—Mr. Goschen continued—"the duty of the Colonies to look after their shore defences. I do not say that we should not prefer contributions without any tie whatever, but I do not make such a demand, and, so far as the policy of the present Board of Admiralty is concerned, I am prepared to stand

by the existing Agreement." It is not difficult to read between the lines. Mr. Goschen was, in fact, arguing against the restrictions imposed by the Australian Colonies; and the "misunderstanding" which he desired to remove was a definite disagreement as to policy. His "explanation," however, was, politely but decidedly, set aside by the Premiers, who resolved "that the statement of the First Lord of the Admiralty with reference to the Australian Squadron is most satisfactory"—practically, it conceded the point in issue—and "the Premiers favour the continuance of the Australian Squadron under the terms of the existing agreement." More encouraging was the announcement, by the Premier of Cape Colony, that his Legislature was prepared to offer an "unconditional contribution of the cost of a first-class battleship."

In approaching the commercial relations between the United Kingdom and the Colonies, Mr. Chamberlain was well aware that he was treading on doubtful ground. He began with a cautious reference to the German Zollverein, which had commenced entirely as a commercial convention, dealing at first only partially with the trade of the Empire, but was afterwards extended to the whole of that trade, and finally "made possible and encouraged the ultimate union of the Empire." But, before anything practical could be done, Mr. Chamberlain reminded the Premiers that Great Britain would have to disentangle herself from various Treaty obligations—notably those with Germany and Belgium. To denounce our Treaties with these Powers would be a serious affair, since our trade with these two alone was larger than with all the Colonies combined. The question, however, was about to be brought to an issue by the Canadian offer to extend Preferential terms to the Mother Country; already Germany and Belgium had protested and claimed similar terms, as the Treaties still in force bound the Colonies as well as Great Britain. Did the Colonies desire that an end should be put to those Treaties? If the answer should be in the

affirmative, the request would be earnestly considered by the Imperial Government.

This was the official way of saying that Mr. Chamberlain would bring their demand before his colleagues, and do his best to get it conceded. There was no hesitation in the response of the Premiers, and Mr. Chamberlain was as good as his word. Notwithstanding the criticism which was certain to be directed—which, in fact, was afterwards directed—against any action in favour of Preferential arrangements within the Empire, as being inconsistent with the accepted interpretation of Free Trade doctrine, the Foreign Office at once gave notice to terminate the Commercial Treaties with Germany and Belgium. This took effect from 30th July 1898.

As the Premiers had further resolved to confer with their respective Cabinets on the possibility of improving trade relations with the United Kingdom by giving a Preference to its products, Mr. Chamberlain pointed out that such an offer must be confined to the Mother Country *nominatim*, and not made to any foreign country. Otherwise, under the "most-favoured-nation" clause, which exists in most of our Commercial Treaties, several foreign countries would be entitled to claim a similar advantage.

Other matters discussed were the Treaties between the British Government and Japan and the Convention as to Tunisian trade with the French Government (to both of which most of the Colonial representatives declined to adhere); the restrictions upon the immigration of coloured persons (as to which nothing more definite than an exchange of views took place); the establishment of an Imperial Penny Post (which was rejected by all the Premiers except those of Cape Colony and Natal); and the construction of a Pacific Cable through British territory (which was postponed). On the other hand, the Premiers passed a Resolution declaring that the time had arrived when all restrictions that prevent the investment of Trust Funds in Colonial Stocks should be removed.

This request Mr. Chamberlain promised to consider, and, at his instance, no doubt, the Colonial Stocks Act was passed—not without opposition from certain financial experts who believed that some of the Colonies had been decidedly improvident in piling up their indebtedness beyond their probable means of repayment.

It will be seen that, in his first Conference with the Premiers, Mr. Chamberlain handled them very gently, and that on almost every point they got their own way. Yet the meeting was by no means a failure; there was a general feeling that something had been done to bring about a closer understanding between Imperial and Colonial Statesmanship, and to remove the impression that Downing Street was careless of Colonial opinion, and ignorant of the difficulties with which Australian and other politicians have to deal. Nor was there any hesitation as to the advisability of convoking similar Conferences in the future.

Though Mr. Chamberlain's second Conference with the Colonial Premiers (June to August 1902) was interrupted by a somewhat serious cab accident in Whitehall—just by the “Canadian Arch”—which confined him to the house for several weeks, it was more fruitful than the first in direct and practical results. Between 1897 and 1902 many things had happened to foster the growing sentiment of a common patriotism within the Empire—the reverses, the anxieties, and the successful conclusion of the War in South Africa; the general mourning on the death of Queen Victoria, and the painful suspense which attended the Coronation of King Edward; the Federation of the Australian Colonies; the Canadian experiment in a Preferential policy towards the United Kingdom; last, but not least, the daily insults and mendacious accusations which had been levelled by the Press of nearly every country in Europe against the Statesmen and Soldiers of the Empire, and which were even more warmly resented by the Colonials than by Englishmen. It was, therefore,

in a more accommodating temper, and with a stronger sense of Imperial Unity, that the representatives of the Self-Governing Colonies met the spokesman of the Imperial Government in 1902.¹

In the first place, it was decided to raise these Conferences to the rank of a recognised institution, and it was resolved that "it would be to the advantage of the Empire if triennial Conferences were held, at which questions affecting the political and commercial relations of the Mother Country and His Majesty's Dominions over the Seas could be discussed and considered, as between the Secretary of State for the Colonies and the Premiers of the Self-Governing Colonies. In case of any emergency arising upon which a special Conference may have been deemed necessary, the next ordinary Conference to be held not sooner than three years thereafter."

Another Resolution, of more doubtful policy, though expressed in guarded terms, was that "so far as might be consistent with the confidential negotiation of Treaties with Foreign Powers," the views of the Colonies affected should be obtained, in order that they might be in a "better position to give adhesion to such Treaties." It may be found practicable, in regard to commercial arrangements with foreign countries, to act on this informal understanding, and it was, no doubt, this class of negotiations which the Colonial Premiers had chiefly in view. We have seen already how jealous they are of every Imperial undertaking which may, directly or indirectly, affect their fiscal policy. Nor is their attitude in this respect unreasonable, since in most of the Colonies the balance between Revenue and Expenditure is a matter of somewhat nice adjustment. But, obviously, in questions of high policy, it will be im-

¹It must be borne in mind that the official account of the Conference does not profess to be complete. It was settled at the outset that the discussions, if they were to be free, must also be confidential, and only such reports as were agreed upon should be published. The suggestion, made at the instance of Sir Michael Hicks-Beach, that the verbatim note should be issued has recently been negatived by Canada, Newfoundland, and (partially) by New Zealand.

possible for the Foreign Minister in London to wait for mailed Despatches, carrying the possibly divergent opinions of Statesmen in every quarter of the world; and to telegraph elaborate arguments, even in the most ingenious cipher, would often be to give away what should be a carefully preserved secret. In this respect the Colonies—unless a Standing Council of the Empire is ever established—must, it is clear, be content with no more privileged position than that occupied by the Imperial Parliament; they must submit to the same restrictions, and repose the same confidence in the Imperial Ministers of the day, as our own Parliament concedes to the judgment of the Imperial Government. Indeed, it has grown up to be a custom to exclude all but a very few members of the Cabinet from any knowledge of Diplomatic transactions until the object has been attained. It is on these terms only that we can have dealings with European Chancelleries. Imagine Lord Lansdowne conducting a discussion with Count Lamsdorff or Herr von Bülow, and having to obtain, as he went on, the concurrent approval of Sir Edmund Barton, Sir Wilfrid Laurier, and Mr. Seddon! By comparison, the Concert of Europe would run on wheels. Nevertheless, it was excusable that the principle of Colonial participation should thus be asserted—on condition that the application should be left to the discretion of the Imperial Government. “If you want our aid,” Sir Wilfrid Laurier has said, “call us to your Councils.”

“We do require your assistance,” said Mr. Chamberlain in his opening address, “in the administration of the vast Empire which is yours as well as ours. The weary Titan staggers under the too vast orb of its fate. We have borne the burden for many years. We think it is time that our children should assist us to support it, and, whenever you make the request to us, be very sure that we shall hasten gladly to call you to our Councils. If you are prepared at any time to take any share, any proportionate share, in the burdens of the Empire, we are prepared to

meet you with any proposal for giving to you a corresponding voice in the policy of the Empire. And the object, if I may point out to you, may be achieved in various ways. Suggestions have been made that representation should be given to the Colonies in either, or in both, Houses of Parliament. There is no objection in principle to any such proposal. If it comes to us, it is a proposal which His Majesty's Government would certainly feel justified in favourably considering; but I have always felt myself that the most practical form in which we could achieve our object would be the establishment or the creation of a real Council of the Empire to which all questions of Imperial interest might be referred; and if it were desired to proceed gradually, as probably would be our course—we are all accustomed to the slow ways in which our Constitutions have been worked out—if it be desired to proceed gradually, the Council might in the first instance be merely an Advisory Council. It would resemble, in some respects, the Advisory Council which was established in Australia, and which, although it was not wholly successful, did nevertheless pave the way for the complete Federation upon which we now congratulate them. But although that would be a preliminary step, it is clear that the object would not be completely secured until there had been conferred upon such a Council executive functions, and perhaps also legislative powers, and it is for you to say, gentlemen, whether you think the time has come when any progress whatever can be made in this direction."

Dealing with Imperial Defence, Mr. Chamberlain pointed out that the Naval and Military Expenditure in the United Kingdom worked out at £1, 9s. 3d. per head per annum; in Canada, at 2s.; in New South Wales, 3s. 5d.; in Victoria, 3s. 3d.; in New Zealand, 3s. 4d.; in the Cape and Natal, between 2s. and 3s. On this point, happily, the Premiers were able to notify an important advance of Colonial opinion. The Australian

Commonwealth and New Zealand agreed to raise their contribution from £126,000 to £240,000 a year (£200,000 and £40,000 respectively), for an improved Australasian squadron and the establishment of a branch of the Royal Naval Reserve; the Cape Colony gave £50,000 and Natal £35,000 a year as an unconditional contribution to the maintenance of the Royal Navy, and Newfoundland undertook to pay £3000 a year towards the branch of the Royal Naval Reserve hitherto maintained there from Imperial funds. The Memorandum presented by Sir John Forrest, the Australian Commonwealth Minister of Defence, was in some respects a very remarkable and enlightened document. (Needless to add, it soon brought him into trouble at home with the advocates of an exclusively Australian patriotism.) Having shown that the establishment of even a small Australian Navy—two first-class and six second-class cruisers—would cost about £3,600,000 in capital outlay, and involve a yearly expenditure of £1,000,000, he added that such a force “would not be able to meet on equal terms the powerful cruisers with highly-trained crews that would be certain to be used against us.” Besides the enormous cost of replacing obsolete with modern ships, there would be no change for the officers and crews. They would go on from year to year in the same ships, “subject to the same influences, and, I fear, ‘deteriorating effects.’” He ended by proposing that there should be one Navy for the whole Empire, each part contributing on some ratio to be settled hereafter—possibly on that of comparative trade. “I cannot think that for Canada and Australia to each have a few war-ships, and the Cape and New Zealand a few also, is a plan suited to the Empire.” But to establish an Imperial Navy, it would be necessary for the contributory States to be represented at the Admiralty. This, Sir John thought, could be arranged without difficulty. Perhaps the task would not be quite so simple as he suggested, but there is no denying that “in time of War there could not be any division of responsibility, and until a more extended

Federation of the Empire is established, responsibility must rest with the Imperial Government."

The Dominion Government held aloof from the naval policy of the other Colonies, and Sir Wilfrid Laurier stated that it was in contemplation to set up a local naval force in the waters of Canada.¹ The objection of the Dominion to co-operating in a general scheme arose, not from the expense involved, but because it would be "an important departure from the principle of Colonial Self-Government." Nevertheless, the Canadian Ministers were, they stated in a formal Memorandum, fully conscious that the Dominion, as it advanced in population and wealth, would be bound to make "more liberal outlay for those necessary provisions of self-defence which every country has to assume and bear." They pointed also to the annual outlay on the Militia system of Canada (\$2,000,000), and claimed that the efficiency of that Service had been proved in South Africa. Though the expenditure for defence was at present limited to the military side, the Government were also prepared to consider the naval side. On the sea-coast of Canada there were a large number of men admirably qualified to form a Naval Reserve. Ministers were hopeful of being able to relieve the taxpayer in the Mother Country of some part of his burden, and had the strongest desire to carry out their Defence schemes in co-operation with the Imperial authorities, and under the advice of experienced Imperial officers, so far as this was consistent with the principle of local Self-Government, which had proved so great a factor in the promotion of Imperial Unity.

On the question of Military Defence, nothing was decided at the Conference, though an interesting discussion was commenced by Mr. Brodrick, Secretary of State for War, on Mr. Seddon's motion for the creation of "an Imperial Reserve Force, formed in each of His Majesty's dominions over the seas, for service in case of emergency outside the Dominion or Colony in which such Reserve is

¹ The first important steps in this direction were taken in December 1903.

formed. The limits within which such Reserve force may be employed outside the Colony wherein it is raised to be defined by the Imperial and Colonial Governments at the time such Reserve is formed, and to be in accordance with any law in force for the time being respecting the same. The cost of maintaining and equipping such Imperial Reserve Force to be defrayed in such proportion and manner as may be agreed upon between the Imperial and Colonial Governments."

The representatives of Cape Colony and Natal favoured this proposal, but those of Canada and Australia were of opinion that "the best course to pursue was to endeavour to raise the standard of training for the general body of their forces, to organise the departmental services and equipment required for the mobilisation of a field force, leaving it to the Colony, when the need arose, to determine how and to what extent it should render assistance. The Imperial sentiment in the Colonies was steadily growing, and their action in the late War left no room for doubt that such assistance would be given readily and effectively, and to the utmost of their ability, in any future emergency. To establish a special force, set apart for general Imperial service, and practically under the absolute control of the Imperial Government, was objectionable in principle, as derogating from the powers of Self-Government enjoyed by them, and would be calculated to impede the general improvement in training and organisation of their defence forces, and, consequently, their ability to render effective help, if it should be required."

It was settled, therefore, that if the Imperial Government wished to press Mr. Brodrick's scheme further in the case of those Colonies that regarded it favourably it would be best to do so through "the usual channel of official correspondence." That is to say, the Conference washed its hands of the question.

Some progress was made — though nothing was definitely settled — under what had appeared to be the

least practicable head of the Conference Agenda. Mr. Chamberlain, in his opening remarks on Commercial Relations within the Empire, had done little more than invite full and free discussion. "We rule nothing out of order." Having pointed out that the Empire could be self-sustaining, and could provide itself within its own limits with every necessity and almost every luxury, he showed, on the other hand, that the Empire did, as a matter of fact, draw the greatest part of its supplies from outside, and exported the bulk of its surplus produce to foreign countries. All this trade might be trade within the Empire. But how could the interchange of commodities between different parts of the Empire be promoted by Statesmanship?

"Our first object, then, as I say, is Free Trade within the Empire. We feel confident—we think that it is a matter which demands no evidence or proof—that if such a result were feasible it would enormously increase our Inter-imperial trade; that it would hasten the development of our Colonies; that it would fill up the spare places in your lands with an active, intelligent, industrious, and, above all, a British, population; that it would make the Mother Country entirely independent of foreign food and raw material. But when I speak of Free Trade it must be understood that I do not mean by that the total abolition of Customs Duties as between different parts of the Empire. I recognise fully the exigencies of all new countries, and especially of our Self-Governing Colonies. I see that your Revenue must always, probably, and certainly for a long while to come, depend chiefly upon indirect taxation. Even if public opinion were to justify you in levying direct taxation, the cost of collecting it in countries sparsely populated might be so large as to make it impossible. But in my mind, whenever Customs Duties are balanced by Excise duties, or whenever they are levied on articles which are not produced at home, the enforcement of such Duties is no derogation whatever from the principles of Free Trade as I understand it. If, then, even

with this limitation, which is a very important one, which would leave it open to all Colonies to collect their Revenues by Customs Duties and indirect taxation, even if the proposal were accepted with that limitation, I think it would be impossible to over-estimate the mutual advantage which would be derived from it, the stimulus to our common trade, and the binding force of the link which such a trade would certainly create."

Up to that time, however, no adequate proposal had been made by any of the Colonies, though in the 1897 Conference the Premiers had undertaken to consider whether a Preference might not be given to imports from the United Kingdom (without any reciprocal obligation) since it was the best and most open market in the world for all the products of the Colonies. The failure to act on this Resolution Mr. Chamberlain attributed partly to the Federation of Australia, partly to the South African War. Canada, however, had in 1898 given a Preference of 25 per cent, which was in 1900 increased to $33\frac{1}{3}$ per cent. It had, therefore, anticipated the general proposal of the Colonial Premiers, and, valuable as the action of the Dominion had been as a proof of goodwill to the Mother Country, the commercial results had been "altogether disappointing" on a comparison of the import trade of British goods into Canada in the year 1896-1897 with that in 1900-1901. The total imports of Canada increased £14,500,000—*i.e.*, at the rate of 62 per cent. The part on which no Duty was levied—and in which, therefore, no Preference was given to British goods—increased £6,250,000, *i.e.*, at 67 per cent. The general trade from foreign countries, which came under the general tariff, also increased £6,250,000—*i.e.*, at 62 per cent. But the Preferential trade had only increased £2,000,000—*i.e.*, 55 per cent. That is to say, the rate of increase under the Preferential tariff was actually less than under the general tariff and also under the free tariff. Again, the total increase of trade with foreign countries was 69 per cent, but with the United Kingdom only 48.

Now what was the cause of this? "Up to 1885 British exports steadily increased to the Dominion of Canada. Then the Government of that day adopted a very severe Protective tariff which, by the nature of things, perhaps specially affected British goods. We are not the exporters, as a rule, of raw materials, or of food. We, therefore, do not export the articles which Canada freely imports. We export manufactured goods, and it was against manufactured goods that the tariff was intentionally, I suppose, directed. The result of that was, that there immediately set in a continuous and rapid decline in the importation of British goods into Canada. Now, the Preference which was given in 1897 has checked the decline, but there is very little increase. Practically, the checking of that decline is the whole result which we can recognise as having followed the generous intentions of the Canadian Government. Foreign produce at the present time in Canada has still a lower average tariff than British produce, no doubt due to the fact that the foreign produce is, as I have said, as a rule, of a character upon which lower Duties are ordinarily levied; but the result is that, while foreign imports have largely increased, the British imports have largely decreased. But now I want to point out another thing which I think will be of great importance, and which, I am sure, the Government of Canada must have taken into their serious consideration. What return has been made to them by the foreigner for the advantage which the foreigner has derived from their tariff? The exports from Canada to foreigners have decreased 40 per cent, while the exports from foreigners to Canada have, as I have said, largely increased. On the other hand, in spite of the tariff, in spite of everything in the natural course of trade and communication, the exports to the United Kingdom have increased 85 per cent in fifteen years, and the net result, which I desire to impress upon you is that, in spite of the Preference which Canada has given us, their tariff has pressed, and still presses, with the greatest severity,

upon its best customer, and has favoured the foreigner, who is constantly doing his best to shut out her goods.

"Now, what is the present position? I believe it is true of Canada—it is true, I believe, of every Colony—we take already, by far, the largest proportion of Colonial exports, but there is not the least doubt that we might double or treble the amount that we take, but we cannot do so until we have the reciprocal advantage, and until you take in exchange a larger proportion of our goods, and so enable us to pay for the imports which we should receive from you. And I think the very valuable experience—somewhat disappointing and discouraging as I have already pointed out, but the very valuable experience which we have derived from the history of the Canadian tariff—shows that while we may most readily and most gratefully accept from you any Preference which you may be willing voluntarily to accord us, we cannot bargain with you for it; we cannot pay for it unless you go much further and enable us to enter your home market on terms of greater equality. I am making that statement as a general statement, but I am well aware that the conditions of the Colonies vary immensely, and that a good deal of what I have said does not apply to the Colony of the Cape or the Colony of Natal. But so long as a Preferential tariff, even a munificent Preference, is still sufficiently Protective to exclude us altogether, or nearly so, from your markets, it is no satisfaction to us that you have imposed even greater disability upon the same goods if they come from foreign markets, especially if the articles in which the foreigners are interested come in under more favourable conditions."

Mr. Seddon brought forward a Motion to the effect that Preferential Tariffs, in Colonies where they did not already exist, should be established by way of rebate on Duties on British manufactured goods carried in British-owned ships, and that in the Mother Country rebate of Duty on Colonial products should be conceded. It was not likely that so sweeping a scheme would be carried off-hand; not, perhaps,

probable that the representatives of other Colonies would concur in the proposal of an individual Minister. It was decided, therefore, that the several Premiers should confer privately with Mr. Gerald Balfour, President of the Board of Trade, and, when the results of these meetings had been reported, the Conference should hold a general discussion. The arrangements made at the Board of Trade were that Canada, as before, should give a Preference of $33\frac{1}{3}$ per cent (and an additional Preference on lists of selected articles); New Zealand, an all-round Preference of 10 per cent, or its equivalent in respect of lists of selected articles; Australia, a Preferential treatment not yet determined in amount; Cape Colony and Natal, a Preference of 25 per cent, or its equivalent on dutiable goods other than specially rated articles. Finally, a Resolution was adopted to cover the general principle of the particular arrangements:—

That Preferential Trade between the United Kingdom and Colonies would stimulate commercial intercourse and strengthen the Empire;

That, under existing conditions in the Colonies, it is not practicable to establish Free Trade between them and the Mother Country;

That it is desirable that such Colonies as have not already given a substantial Preference to the products and manufactures of the United Kingdom should adopt that policy "as far as their circumstances permit";

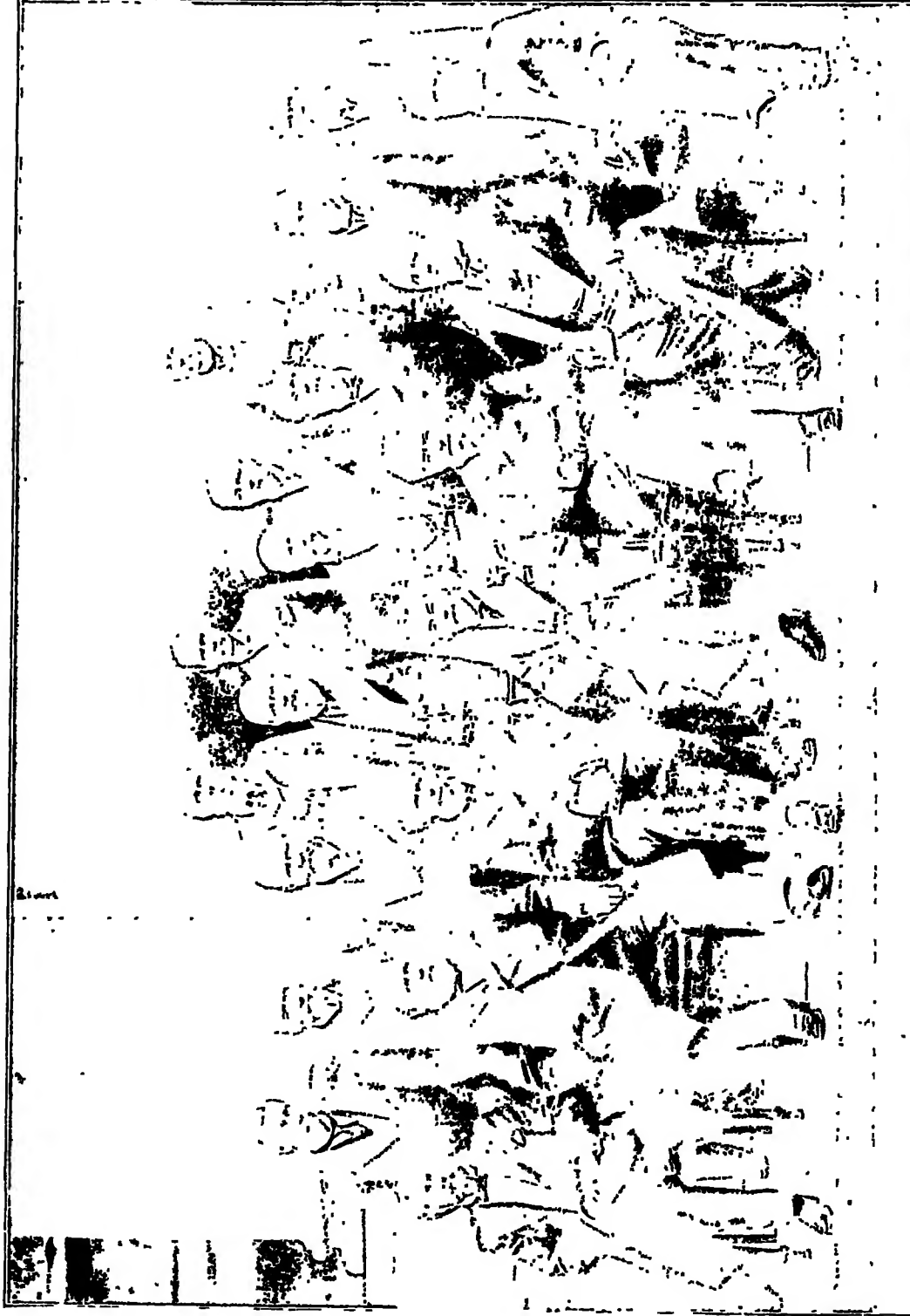
That the Imperial Government should be invited to consider the expediency of giving a Preferential treatment to the products and manufactures of the Colonies;

That the Colonial Premiers will, at the earliest opportunity, submit to their respective Governments the principle of this Resolution, and request them to take such measures as may be necessary to give effect to it.

A separate Memorandum was handed in by the Canadian Ministers, who had asked that, in return for the Preference given to products of the Mother Country, the food products from the Dominion should be exempted from the Duty

MR. CHAMBERLAIN AND THE COLONIAL
PREMIERS, 1902

Mr. Chamberlain took advantage of the presence in London of the Premiers of the Self-governing Colonies at the time of the coronation of Edward VII to hold a Conference with them regarding various Imperial matters. The first sitting took place at the Colonial Office on June 30, 1902, and the Conference closed with its tenth meeting on August 11. Following is a key to the plate: Front Row (left to right), Sir Robert Bond (Premier of Newfoundland), Mr. Richard J. Seddon (Premier of New Zealand), Sir Wilfrid Laurier (Premier of Canada), Mr. Chamberlain, Sir Edmund Barton (Premier of Australia), Sir Albert H. Hime (Premier of Natal), and Mr. T. E. Fuller (Agent-general for Cape Colony, representing the Premier, Sir J. Gordon Sprigg). Second Row (left to right), Mr. Thomas W. Holderness (India Office), Sir John Anderson (Colonial Office, Secretary of Conference), Sir John Forrest (Minister of Defence, Australia), Sir William Mulock (Canadian Postmaster-general), Lord Onslow (Parliamentary Under-Secretary for Colonies), Mr. William Paterson (Canadian Customs Minister), Rear-admiral Reginald N. Custance, Lord Selborne (First Lord of the Admiralty), and Mr. G. W. Balfour (President of the Board of Trade). Back Row (left to right), Sir Alfred E. Bateman (Board of Trade), Sir Francis J. S. Hopwood (Board of Trade), Mr. William S. Fielding (Canadian Finance Minister), and Sir Montagu F. Ommañney (Permanent Under-Secretary for the Colonies).



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recently imposed by Parliament. Mr. Chamberlain, however, had been unable to recommend this course to his colleagues. The results of the Preference had not been so great as the Canadian Ministers claimed, and such a change as they requested would be an important departure from the fiscal policy of the United Kingdom, which could not be contemplated unless the Dominion could offer some further material concessions; the substance of the Canadian Minister's reply was that, if the Imperial Government would seriously consider the principle of Preferential Trade, and would exempt the food products of the Dominion from present and future Duties, they would endeavour to give the British manufacturer some increased advantage over his foreign competitors.

Among other matters dealt with at the Conference, were a proposed modification of the Navigation Laws within the Empire, and the advisability of withdrawing the privileges of Coastwise Trade (including trade between Mother Country and Colonies, and between different Colonies) from countries which confine the corresponding trade to ships of their own nationality: as to Mail Services and Shipping Subsidies, a Resolution was passed that the whole question should be generally considered, and that in all new contracts clauses should be inserted to prevent excessive freight charges and undue preference to foreigners, and to ensure that such steamers as might be suitable should be at the service of the Imperial Government in time of War as cruisers or transports.

A startling sequel to these discussions was provided on 15th May 1903, when Mr. Chamberlain paid his first political visit to his constituents after his return from South Africa. The announcement which he made—that he was personally in favour of establishing Preferential tariffs between the Mother Country and the various Colonies—he represented not as any sudden impulse, but rather as a

result of what he humorously called "the calm with which the solitude of the illimitable Veldt had affected his constitution." He led up very carefully to his new declaration of policy. After dwelling on the results of his mission, and the hopes which he had formed as to the birth of a "new nation" compacted of the "two strong races who are bound to live together in South Africa," he declared that on what we might do within "the next few years" would depend the enormous issue "whether this great Empire of ours is to stand together as one free nation—if necessary, against all the world—or whether it is to fall apart into separate States, each selfishly seeking its own interest alone, losing sight of the common weal, and losing also all the advantages which union can give."

The present, he said, was a "creative" period. We were standing at the beginning of a new era. Though this was an old country and an old Kingdom, the Empire was not old. At present the population of Great Britain and Ireland outnumbered four times the white inhabitants of the Colonies. But how long would that proportion be maintained? It was not impossible that by the end of the present century our fellow-subjects beyond the Seas would be as numerous as ourselves. Hitherto, their rate of increase had been retarded by various causes that no longer existed—by Imperial neglect of Colonial interests, and by the superior attractions which the United States had offered to emigrants. But Great Britain had awakened to her responsibilities, and the United States were filling up. There was still time to consolidate the Empire.

The Colonies had proved that in a time of danger they would come forward in defence of the Empire. In the late War they had sent in at least 50,000 soldiers to fight alongside British troops. At present it was true that the Colonial Governments had not made any adequate recognition of their duty to contribute towards the expenses of Imperial Defence, but it must be remembered that the idea of a common responsibility was still new, and we had done

nothing to encourage it. Yet they had recently shown themselves willing to respond to his appeal. The people of Natal had taken on themselves no slight burden in connection with the War, and in the Transvaal all classes had agreed in assuming a liability which amounted to £80 a head of the white population. Nevertheless, it was incumbent on the Colonies, if they valued the privileges of Empire, to accept a greater share of its obligations. He would speak on this point in Australia or in Canada as strongly as he had spoken in South Africa, nor did he fear that such frankness would give offence.

But the question of trade and commerce was one of the greatest importance. How were we to keep the trade of the Colonies, to increase it, and promote it—even at the risk of lessening the trade with our foreign competitors? It was true that our Colonial Trade was much less than our Foreign Trade, and the inference of “Little Englanders” was that while we should foster the latter we might safely disregard the former. Mr. Chamberlain’s conclusion was “exactly the opposite.” Every advance which the Colonies made we should reciprocate. Though somewhat slack in contributing towards military expenditure, they were doing a great deal to promote the Union of the Empire—doing it in their own way and by their own means.

First among those means was the offer of Preferential tariffs. Immediately after Mr. Chamberlain’s departure for South Africa a Conference had commenced work at Bloemfontein, attended by representatives of all the South African Colonies, and a recommendation had been made that the various States should offer a Preference of 25 per cent on all dutiable goods from the Mother Country. Canada had given us the same advantage in 1898, and in 1900 she had increased it to $33\frac{1}{3}$ per cent; and, though the results had been “somewhat disappointing,” the tendency towards a diminution of trade between the Dominion and the United Kingdom had been arrested, and a sensible increase had been realised.

“ But,” (he continued) “ the Ministers of Canada, when they were over here last year, made me a further definite offer. They said, ‘ We have done for you as much as we can do, voluntarily and freely and without return. If you are willing to reciprocate in any way, we are prepared to reconsider our Tariff with a view of seeing whether we cannot give you further reductions, especially in regard to those goods in which you come into competition with foreigners; and we will do this if you will meet us by giving us a drawback on the small tax of 1s. per quarter which you have put upon corn.’ Well, that was the offer, which we had to refuse. I must say that, if I could treat matters of this kind solely in regard to my position as Secretary of State for the Colonies, I should have said, ‘ That is a fair offer, that is a generous offer, from your point of view, and it is an offer which we might ask our people to accept.’ But speaking for the Government as a whole, not in the interests of the Colonies, I am obliged to say that it is contrary to the established fiscal policy of this country, and that we hold ourselves bound to keep open market for all the world, even if they close their markets to us, and that, therefore, so long as that is the mandate of the British public, we are not in a position to offer any Preference or favour whatever, even to our own children. We cannot make any difference between those who treat us well and those who treat us badly.

“ Yes, but that is the doctrine which I am told is the accepted doctrine of the Free Trader, and we are all Free Traders. Well, I am. I have considerable doubt whether the interpretation of Free Trade which is current amongst a certain limited section is the true interpretation. I am perfectly certain that I am not a Protectionist, but I want to find out whether the interpretation is that our only duty is to buy in the cheapest market without regard to whether we can sell. If that is the theory of Free Trade that finds acceptance here and elsewhere, then, in pursuance of that policy, you will lose the advantage of a reduction, a further

reduction, in Duties, which your great Colony of Canada offers to the manufacturers of this country, and you may lose a great deal more, because in the speech which the Chancellor of the Exchequer—Minister of Finance, as he is called in Canada—made to the Canadian Parliament the other day, which he has just sent me, I find he says that ‘if we are told definitely that Great Britain, the Mother Country, can do nothing for us in the way of Reciprocity, we must reconsider our position and reconsider the Preference that we have already given.’ ”

Nor was this attitude unreasonable, Mr. Chamberlain suggested, since the Dominion had been penalised by Germany for the Preference given to British goods, and an extra Duty had been imposed on imports from Canada. Was the United Kingdom to leave Canada alone to fight its own battle? This was an absolutely new situation, one never contemplated by Mr. Cobden and Mr. Bright. There were two alternatives before us. Either we could maintain what Mr. Chamberlain believed to be a “purely technical interpretation of Free Trade,” or we should resume the power of free negotiation, and, if necessary, of retaliation—so that we might be able to protect our own interests, and safeguard our relations between ourselves and our Colonies.

It will be observed that, great as was the curiosity which this speech excited, it contained no doctrine which the Colonial Secretary had not advocated on many previous occasions—no expression of opinion in which he had not been anticipated by Lord Salisbury, who frequently complained, both in Office and in Opposition, that the Foreign Secretary was powerless to assist British or Colonial trade, since he was not allowed to practise, or even able to threaten, retaliation against hostile tariffs. The reason for the effect produced on the public mind by Mr. Chamberlain’s declaration was that—while putting it forward as a matter for future consideration, and treating it as a personal suggestion rather than a statement of

Ministerial policy—he gave it a distinct air of practical urgency. “I desire,” he said, “that a discussion on this subject shall be opened. The time has not yet come to settle it, but it seems to me that, for good or for evil, this is an issue much greater in its consequences than any of our local disputes. . . . I do not think myself that a General Election is very near; but whether it is near or distant, I think our opponents may, perhaps, find that the issues which they propose to raise are not the issues on which we shall take the opinion of the country. If we raise an issue of this kind, the answer will depend not upon petty personal considerations, not upon temporary interests, but upon whether the people of this country really have it in their hearts to do all that is necessary, even if it occasionally goes against their own prejudices, to consolidate an Empire which can only be maintained by relations of interest as well as by relations of sentiment.”

This very definite utterance was followed up on May 22nd by a speech in the House of Commons. Challenged to explain his position with regard to Old Age Pensions for the Deserving Poor, he declared that the question was by no means “dead.” The funds might be provided, he said, if such a review of our fiscal policy as he believed to be desirable at an early date were to be adopted by the country.

Hardly had Mr. Chamberlain made his declaration as to Imperial Reciprocity than Sir Charles Dilke, an early and at one time an intimate associate, pointed out that there was nothing in the views now proclaimed which was inconsistent with many previous utterances. He forestalled the regular Leaders of the Opposition in asking Ministers to explain, in the House of Commons, how far they agreed with the opinions of the Colonial Secretary. In certain quarters it had been suggested that the Birmingham speech was a bid for power—that Mr. Chamberlain wished to raise an issue on which he could part company with an Administration that seemed to be losing

popularity, and create a new Party with himself as the Leader. Mr. Balfour's reply disposed of that theory. He ridiculed the attempt to make mischief between his colleague and himself, and showed that, in principle at least, there was little difference in their positions. It was, he said, a fair question for debate whether the time had not come when we should give up the theory that Revenue should only be raised to meet the national expenditure. He reproduced the familiar complaint as to the difficulty of negotiating a Commercial Treaty without the power of fiscal retaliation. There was also another reason why a Preferential system should be considered. It would bind the Empire more closely together. Nobody could deny that this would be a "very good object"—the only question was whether the price would not be too high. He put aside the idea, which had not been proposed, of taxing the raw materials for our manufactures. But he would not dogmatise on the question of taxing the food of the people.

"You will (he went on), in my opinion, never have a tax on the food of the people in this country, except as part of a big policy which they heartily and conscientiously accept. With that you can do it. Without that you cannot do it. Nor do I think that you could go back to the old Protective days, and in the interests of this industry or that industry, be the industry what it may, ask the people of this country to tax their food. I do not think that is within the range of practical politics. But if you could, by means of a tax on food, put the whole of the fiscal and Imperial position on a different and better footing, is it so certain that the working classes of this country would repudiate the suggestion? I do not know. But, supposing that, by means of a general tax upon food-stuffs, it were possible to stop this process by which, not merely in foreign countries, but in our own Colonies, there was being created a system of protection of an enormous number of manufacturing interests; supposing it were possible, not, indeed, to obtain full Free Trade—that, I

think, is beyond the power of any conceivable combination—but to obtain a large measure of Free Trade in the manufactured goods of the Colonies, I am not sure that would not be worth while.” There were two great difficulties, Mr. Balfour admitted, in the way of Mr. Chamberlain’s scheme—the traditional dislike of the English people for a tax on food, and the traditional affection of the Colonies for Protectionism. Unless both these could be overcome, the plan was not practicable.

There was no contradiction, the Prime Minister said, between his own views and Mr. Chamberlain’s. But even if there were some difference of degree, it would not imply discord. He himself, as on the Irish University Question, held and had proclaimed opinions not shared by his colleagues, and Mr. Chamberlain was entitled to an equal liberty. Moreover, as Colonial Secretary, he was more or less bound to demand a hearing for the policy which had been formally adopted and approved by the Premiers of the Self-Governing Colonies at their recent Conference. Could he have permitted the Resolution in favour of Preferential Trade between the Mother Country and the Colonies to remain slumbering in the pages of a Blue-book?

The only point on which any difference could be detected between the Prime Minister’s and the Colonial Secretary’s attitude was that Mr. Balfour treated the proposal as somewhat remote—not a question for this Session or the next or the one after—whereas Mr. Chamberlain’s tone, the energy which he throws into every argument, pointed to an urgent and immediate propaganda.

That impression was not modified when he volunteered an unexpected and supplementary explanation. He began with some considerable admissions. Nothing could be done without a Mandate from the people of the United Kingdom, and following that must be a Mandate from the Colonies. “Nothing (he said) can be worse than to negotiate with a Colony, and probably come to an agreement, and then at the next General Election find that the

whole idea was repudiated by the country. I can conceive nothing more dangerous to Union than that. Before we begin to negotiate with a Colony we must have some knowledge what the opinion of the country is in regard to the principle at stake. If we had this Mandate, the first thing I should do to carry it out would be to consult the Colonies. I should call, in that case, another Conference of the representatives of the Self-Governing Colonies, and I have not the slightest doubt myself that, as a result, arrangements which we should consider were perfectly fair between the two countries—arrangements, that is to say, which would give us as much as we gave them—could be completed with the Colonies.”

“There is another thing that we have to find out in order that a Conference of this kind may discuss the matter. We shall have to know from our own people, not only what they will give, but what they want in return. I want to know from every manufacturing district in this country—and I hope I shall learn before long. I hope the Chambers of Commerce, who I see everywhere are taking this matter up, will give their assistance to a conclusion being arrived at by saying what particular article or articles of manufactured produce in their districts could be much more largely sold if Preferential rates were given by the Colonies upon it or them, and what the amount of that Preferential rate ought to be to give them any substantial advantage. The House will see that all this will necessarily take time, and that the claim that we without this information should beforehand, and before we have got anything in the nature of an expression of general agreement on the part of the people of this country, put a plan before the House—I suppose a sort of draft Treaty with our Colonies—seems to me to be an absolute absurdity.

“Without binding myself for all time, or shutting my eyes to further or fresh information, I was going to say that I do not see that it will be desirable to put any tax at

all upon raw material, for the reason that it would be very difficult to find raw material which would be suitable for this purpose, and if it were to be imposed it would have to be accompanied by drawbacks on finished exports; and, though we know that is not at all impossible, because every other country in the world does it, it is a complicated way of doing that which may be done in a more simple way. Therefore we come to this: that if you are to give a Preference to your Colonies—I do not say you are—you must put a tax upon food. I make honourable members a present of that, and I am prepared to go into any workman's or labourer's house in this country and address a meeting of workmen or labourers and make certain calculations. Assuming that the duty be 1s. or 2s. on corn, I am prepared to go to them and say, 'This policy, if carried out, will cost you so much a week more than you are paying to-day for your food,' putting aside any economic question as to whether they would or would not pay the whole of any Duty imposed. My argument would be this:—'I assume that you will pay every penny of the cost. I will tell you what you consume, and I will give you a table by which you can tell for yourself how much extra wages you must get in order to cover the extra expense of living to which you will be put.' There is an argument to which honourable members opposite would have to give their serious attention. If they can show that the whole result of this business will be greater cost of living to the working classes, and no increase of income, then I have no doubt whatever all their most pessimistic prophecies will come true. But if I can show that, in return for what I ask, I will give more than I take—well, then, I think that, poorly as they may think of my judgment, I may still have a chance. That also suggests another consideration. Suppose you put on a Duty, and produce a very large Revenue, we do not want that Revenue for expenditure, which is at present normal. Therefore, we have a large sum at our disposal. To whom shall we give that sum?

In the first place I ask, who is going to pay this tax? The working classes are going to pay three-fourths, because it is the calculation that of all taxes on consumption the poorer classes pay three-fourths, and the well-to-do one-fourth. That being so, to my mind it is a mere matter of justice that the working classes are entitled to every penny of the three-fourths. But I would, without the slightest hesitation, give them the other fourth, because I have always held—it is part of my speeches on this subject of social reform—that while it would be absolute confiscation to put the cost of social reform wholly on the shoulders of one class, and that the richer class, the minority, yet, on the other hand, it was perfectly fair that they should make a contribution in return for the indirect advantages which they get from the prosperity and contentment of the country.”

“Of one thing I am certain, and that is that, in spite of any decision which may be come to when this matter is raised, if there should be depression in some of our greatest industries, and this result which I predict should follow, nothing would prevent the people of this country from imposing a Duty which would defend them against such unfair competition. I have indicated, at all events, the lines of the movement, and I have indicated the discussion which I wish to raise—a discussion which I promise I will raise before the country.”

Such was the issue which Mr. Chamberlain undertook to place before the electors, and on the result he has staked his political fortunes.

It is important to understand what exactly he was then advocating, and what he did not include in his scheme. He did not propose to establish Free Trade within the British Empire, though from previous utterances it is clear that he would welcome it. Again, he was not working for such a Zollverein as exists within the German Empire. He did not seek to influence, even indirectly, the commercial

relations between the various British Colonies and Dependencies. He believes in and hopes for such an arrangement in the future, but it was not a part of the plan which he desired to lay before the electors of the United Kingdom and the peoples of the Self-Governing Colonies. All that he aimed at for the present was to bring about a series of fiscal bargains between the Mother Country and each of her Colonies—each bargain to be considered on its own merits. So much for the Preferential side of his declaration.

His views as to Retaliation, so far as they had then been developed, were confined to exercising pressure on Foreign Governments which have established prohibitive or oppressive Tariffs against imports from the United Kingdom or its Colonies. He wished to provide our Foreign Office with the means for making a reasonable bargain, with a weapon for extorting equitable treatment from countries which have hitherto granted only such concessions as suited their temporary convenience—at other times hitting us because they knew that we should not hit them back. Nor had he suggested that we should ever become the aggressors, and, for the sake of encouraging some native industry, practise exclusion against foreign producers or manufacturers of the same commodity.

It was clear that the Preference policy and the Retaliation policy were essentially distinct, and that each rested upon its own merits or was liable to separate objections. The two principles might even come into conflict. If it is advisable for the British Empire to retaliate against an outside nation which excludes its products, it might also be legitimate for the United Kingdom to exercise similar pressure on those Colonies which laid heavy Duties on its products, until they could be brought to a more Imperial frame of mind. That, however, was not contemplated by Mr. Chamberlain, nor can it, perhaps, be used as an argument against this side of his policy, that it would logically sanction such a development.

Although he had hitherto demanded only an inquiry

into our fiscal system, although his more judicious supporters had pledged themselves to nothing further, and although he had refused to produce a definite plan with all the details worked out, it may be assumed that, on the main points, his own mind was made up. He invited his countrymen to make an inquiry—but he was not himself inquiring. He was quite decided as to Imperial Preferences and as to Retaliation. What, then, was his fiscal record?

It has already been pointed out that his principles with regard to Political Economy have always been somewhat "fluid." The truth is that in this, as in other spheres of thought, he had never troubled himself about general principles or tested abstract doctrines. It is a task for which he shows neither interest nor special aptitude. He had been brought up, as he has frankly admitted, in the Manchester School, and imbibed all the tenets of the "orthodox" Political Economy. It was only quite late in life that he expressed any misgivings as to his previously unquestioning faith. This may be proved by a series of citations from his public speeches. On August 12, 1881, for instance, when he was President of the Board of Trade, he had to argue in the House of Commons against a proposal to retaliate against the Bounties which the French Government had established on beet-sugar. "He could conceive it just possible," he said, "that under the sting of great suffering, strange remedies might be tried, and some time or other people might be found foolish enough to tax the food of the country. If that were done the recurrence of depression would be the sequel for such a state of things as we had never seen since the repeal of the Corn Laws. . . . The tax on food would mean a decline in the value of wages, certainly in their proportionate value—wages would purchase less. It would mean an increase in the price of every article produced in this country, and the loss of our foreign trade, which was so valuable."

Mr. Chamberlain does not greatly value the virtue of consistency, but it is only fair that another passage from the same speech should also be quoted:—

“What,” he asked, “did the advocates of Reciprocity mean? It was said to be the duty of the working classes to make some sacrifices in order to reacquire the free and fair trade we had lost. He did not say that view was entirely without justification. We were to retaliate on foreign countries by putting on Protective duties in order to induce them to take off duties. How long was that retaliation to last? For, say, five years? But suppose the foreign country did not give way. Then, what duties should be put on? That was a question which every advocate of Reciprocity was bound to answer.”

It will be seen, then, that twenty-two years ago, when he was a rising Radical Minister, and Mr. Bright's colleague at Birmingham, he contemplated without absolute scorn, though certainly he did not embrace, the view that the working classes should be asked to submit to some sacrifice for the sake of “free and fair trade,” and that contingent sacrifice was already defined as a tax on food.

It would be difficult, however, to quote a more comprehensive indictment of Protectionism than his reply, given on March 24, 1882—and joyfully disinterred from Hansard by the Unionist Free Food League for republication in “The Case against Protective Taxation of Food and Raw Material.” He scornfully put aside the suggestion that the question whether a man was a Protectionist or not depended upon his motive at the time—that if a man preferred to levy a 5-shilling Duty on corn in order to protect the farmer he would be a Protectionist, but not so if his purpose were to determine the flow of Labour and Capital by driving industry to the Colonies. Such a distinction was inadmissible. It was, Mr. Chamberlain said, a problem in casuistry—not a question of

practical politics. Nor did it avail to suggest that Protective measures might be temporary—to be withdrawn as soon as foreign nations had been “brought to their senses.” What was the case in the United States? The Tariff introduced to protect infant industries had been maintained after they had reached maturity. The Duties had been increased year by year, and the protected industries had become almost too powerful to be dealt with.

He even argued that Protection failed to effect its object. Taking the instance of the American shipping trade, he pointed out that it was steadily on the decline, while the British trade had rapidly increased. He even emulated Cobden, and ventured to prophesy. “I believe,” he said, “that the Americans are beginning to see—although, at present, perhaps slowly and perhaps dimly—the effect of this foolish policy [Protection] upon their own prosperity.”

Not less striking was the passage in which he refuted the argument based on percentages. “Whatever may have been our own progress, we are told that we ought still to be discontented, because other countries have made still greater progress. That is a state of things which Fair Traders are totally unable to see with satisfaction. Now, I am very doubtful whether any proof whatever has been given that any other country has done as well during the last ten years as we have. But if other countries have progressed more than we have, I should have said that that proved nothing either for or against Protection; because in dealing with this matter it must be borne in mind what a multiplicity of factors we have to take into consideration in estimating the relative progress of foreign nations compared with our own. We should have to take into account the increase of population, the development of the means of communication, and many other matters besides the effect of fiscal regulations. A country in which the population is greatly increasing

is likely to increase its products more rapidly than a country in which the population is stationary. Again, if at the period which we select for our comparison, one country is without an efficient means of communication, and these have been subsequently supplied, we should expect the increase to be greater than in an older country, where such means of communication have existed all along. We must consider also such special circumstances as war, famine, bad harvests, and other things which affect trade at particular times and in particular countries. Lastly, we have to take into account—and this is of particular importance in considering the difference which a calculation of percentages apparently shows—the initial condition of the country with which you make your comparison. In other words, if you were comparing a country with a trade of £1,000,000 and a country with a trade of £10,000,000, and both had increased their trade by the amount, say, of £10,000,000, it is quite clear that the increase in both cases is the same; but, calculated by percentages, the proportion of increase in the one case is 1000 per cent, and in the other only 100 per cent. The increase is the same in the amount in both cases; but the proportion in the one case is ten times as great as it is in the other. I hold that the true measure of a country's prosperity is to take both her exports and imports. . . .

“The hon. member for West Staffordshire [Mr. Staveley Hill] says, in the Amendment he has put upon the Paper, that Duties are to be levied on foreign produce, provided that nothing is done to raise the price or diminish the supply of food. I do not know whether the hon. member thinks that you can tax food without raising its price. I would, at any rate, lay down the axiom, to begin with, that that is impossible, and it is only by increasing the price that the object of the hon. member for Preston [Mr. Ecroyd, who wished to tax food] can be achieved, and that you can stimulate the growth and prosperity of our Colonies. The modest proposal he makes would

raise the price of home-grown corn also, and the result would be that the British consumer would have to bear a tax of £40,000,000, £14,000,000 of which would go to the revenue if the foreign importations continued, and £26,000,000 would go, not to the farmer or the labourer—for if anything is proved by the experience of the past, it is that it would go neither to the farmer nor the labourer—but it would go to the landed interest, to enable them to keep up their rents. All I have to say of a proposal of that kind is that it could never be adopted by the country, or if adopted it would be swept away upon the first recurrence of serious distress. . . .

“If the hon. member [Mr. Ecroyd] does not think that this transfer could be effected readily with regard to the supply of food for this country from foreign countries to our Colonies, I should like to know very much what we are to do in the interval? If we are to retaliate upon foreign countries by imposing a duty on food imported from those countries into England, as a means of inducing them to alter their tariffs, and effecting a transfer of the supply of food to the Colonies, I do not see where the food of the country is to come from, because it is impossible that in anything like a reasonable time our Colonies could produce an amount of food at all approaching to the quantity required. But even if they could, at a future period, produce it, they could not possibly accept payment for it in our manufactures.”

Retaliation, he concluded, was a game at which two could play, and we should play it at a great disadvantage. Our imports of manufactures and half manufactures were only £35,000,000, while we exported £190,000,000. We should therefore stand to lose £155,000,000.

In 1883, again, at the Cobden Club, he declared that nothing which had happened since the death of the statesman, whose name had been taken by that institution, had weakened the force of his arguments or thrown doubt on his conclusions. It was true that in many cases the

organised forces by which Protection was supported had been too strong for their assailants. The extraordinary natural advantages of the United States and the excessive military expenditure of the great European Powers had favoured Protectionism. "But," he declared, "the arguments against this system, by which the few are enabled to enrich themselves at the expense of the many, remained absolutely unshaken." Venturing once more on prediction, he said, "I do not doubt that in the long run truth and reason will prevail."

Again, speaking at Birmingham, 30th March 1883, Mr. Chamberlain used the following very uncompromising language:—

"Lord Salisbury would, if he had the power . . . impose duties on food and clothing, and on the raw materials coming to us from America, and from our Colonies . . . any such scheme if it should be carried out means that every workman in Birmingham and throughout the country should pay more for his loaf, and more for his clothes, and more for every other necessary of his life in order that great manufacturers might keep up their profits, and in order, above all, that great landlords might maintain and raise their rents."

Yet another utterance of the same tenour was made at Birmingham, 5th May 1885—in the days of the Doctrine of Ransom. Fair Trade, he said, was the cry under which the demand for Protection was covered. Property, he added, could not pay its debt to Labour by taxing its means of subsistence. His denunciations of the Corn Laws and of recent suggestions for restoring them (as *e.g.* in a speech delivered at Ipswich in the same year) are less to the point, since neither he nor anybody else in his senses then dreamt of laying such a Duty on imported corn as would make it profitable for the British farmer to grow wheat on a large scale.

Many other passages, though none more illustrative, might be quoted to the same general effect. But there is

no need to labour the point. It may be taken as established that at one time, and throughout far the greater part of his public career, Mr. Chamberlain was an uncompromising Free Trader; that he was opposed to any taxation levied for any other purpose than that of raising Revenue; and in defence of the doctrine which he now regards as "antiquated" he relied on the very same arguments as are now employed by "fanatical Cobdenites." But, it should be added, he did not rely on them alone. It will be seen from the citations given above that he also made an appeal to the economic facts of the period in which he happened to be speaking. This left it logically open for him to change his opinions. In 1883, for instance, he did not believe either that the Colonies could supply us with all the food we require or, if they were able to do this, that they could take the manufactured goods with which we should pay for them. On both these points he has altered his estimate of the facts—or rather, as he would put it, the circumstances of the cases have themselves become different. Again, when he was President of the Board of Trade, he held that our Free Trade system was able to hold its own, and he discerned signs, he thought, of a decline in the faith attached in foreign countries to Protectionism. On both these questions, he would say, the subsequent facts have forced him to modify, even to invert, his previous opinions. British manufacturers have not kept their ground even in the home market, and the walls of foreign tariffs have year by year been built higher and higher. The concrete facts must be taken into account, and any abstract doctrine that conflicts with them must be abandoned. The argument, in his belief, turns simply on matters of fact, nor can any practical politician repudiate the claim. And it is on them that, in the controversy now raging, the issue has been joined.

But when did the process of conversion set in? Certainly not before he became Colonial Secretary (1895), nor soon afterwards. In an Address to the Chambers of

Commerce in June of the following year he by no means welcomed the suggestion that Great Britain should "replace certain moderate Duties" on such articles as corn, meat, wool, and sugar. Again, in November of the same year he was not yet convinced that foreign competition was a serious peril to British industry. The "Made in Germany" agitation was then at its height. What did Mr. Chamberlain say to the Birmingham Chamber of Commerce? "Let us look at the course of trade as between Germany and this country, and when we do so I think we shall find that, although there is reason for watchfulness, there is no reason at all for despairing, and there is hardly reason for serious alarm—certainly nothing of a kind which would 'make Mr. Chamberlain's hair stand up on end.' I do not want, at a meeting of this kind, to burden you with many statistics, but I will ask you to follow me in one or two figures so plain and so simple that I think they will be sufficient to prove my case. If Germany is encroaching in this terrible way upon the trade of the United Kingdom, of course we should expect to find that the exports from the United Kingdom would materially have diminished and the exports from Germany have materially increased. What are the facts? The last year for which I have complete returns is 1894, and I take a period of ten years backwards from 1894. In 1885 the total export of domestic produce from the United Kingdom—that is, leaving out of count altogether the foreign and Colonial produce which comes to this country, and which is re-exported at a profit, and taking only things of our own manufacture and production—was 213 millions. In 1894 it was 216 millions, an increase of three millions. The total exports of domestic produce from Germany were 143 millions in 1885, and 148 millions in 1894—that is to say, they had increased five millions while ours had increased three millions. Well, then, what has been the course of trade between Germany and this country? Here I have the returns down to last year, 1895. The exports of produce from the United

Kingdom to Germany have risen in ten years from 26 millions to 33 millions, an addition of seven millions. The exports in the other direction, from Germany to the United Kingdom, have risen in the same time from 21 millions to 27 millions, or an increase of six millions. That is to say, the trade of both States has increased in practically the same proportion, but the increase of British trade has been seven millions, while the increase in German trade has been six millions. Now, is it not perfectly clear, whatever special changes may have taken place, that the general movement of trade has not been of material importance? There have been considerable fluctuations in the course of the ten years which I have taken for the purpose of examination, sometimes in favour of Germany, sometimes in favour of this country, but on the whole, and taking the whole period, the result shows that there is substantially no change of the slightest importance in the relative proportion of German and of British trade. While it is most important that this question should have your careful and continuous attention, there is no reason whatever for putting forward alarmist views of our position, which are greedily snapped up abroad, and which lead our foreign friends and competitors to take altogether an erroneous view of the commercial power and the commercial influence of Great Britain."

Nor is there, in the published reports of the proceedings at the Colonial Conference in 1897 (summarised in the early part of this chapter), any indication that Mr. Chamberlain had changed his point of view, or was anxious to stimulate the flow of British exports to the Colonies on the ground that our foreign markets were failing us. There was no suggestion that the Preference proposed by some of the Colonies was to be made a matter of barter. It was offered by them as a free gift and accepted by the Mother Country. Indeed, as representative of the Imperial Government, Mr. Chamberlain was more concerned to impress on the Premiers the duty

of making a substantial contribution to Imperial Defence than to arrange a mutual system of Preferential Tariffs, or (still less) to lay the foundations of a future British Zollverein. The latter and more comprehensive idea had, indeed, for many years been entertained by him, as by many other advocates of Imperial Federation, but it had, by general consent, been laid aside, though not definitely abandoned, simply because the Tariff difficulty seemed for the time to be insuperable. The most careful study of Mr. Chamberlain's public utterances, from the time when he went to the Colonial Office, does not reveal any suggestion of the Preferential policy in its present shape before he delivered his famous speech at Birmingham on May 15, 1903. It is known, however, that he had sketched out his plan to his colleagues in the Cabinet before he started for South Africa in November 1902, and had fortified his argument by the proceedings at the Colonial Conference of the previous Summer. There is also a rumour, not confirmed by any official or semi-official declaration, that even before that Conference he had thrown out the idea to his colleagues, and that it met with a very discouraging reception. But, so far as records go, we may regard November 1902 as the date at which Mr. Chamberlain decided that the time had come for proposing a joint policy of Retaliation against hostile Tariffs and of Preferential arrangements between the Mother Country and the Colonies.

It is interesting to note in this connection that the last words which Lord Salisbury uttered on a public platform constituted a protest by anticipation against any premature attempt to bring about Imperial Federation. Mr. Chamberlain himself had not spoken more strongly than the late Prime Minister about the difficulty under which the Foreign Office laboured in obtaining fair treatment for British traders at foreign ports. Nor was Lord Salisbury adverse to the idea of establishing Preferential (or, as he called them, Differential) Tariffs

with the Colonies. But in his judgment, delivered only a short time before laying down office, the time for promulgating such an innovation had not arrived on May 8th, 1902. Speaking on that day to the Primrose League he said :—

“ Though I believe it is true that we are at the commencement of a movement of causes, of opinions, and of feelings which will end in changes which will modify the present distribution of power, and the present distribution, I may say, of allegiance, I do not, therefore, on that account, advocate any impatient handling of the phenomena which we have to deal with. There are many men of great intellect and authority who think that the moment has come for some legislative action on our part which should federate the Colonies. But I exhort them, before they do so, to carefully consider what steps they are going to take, and what results they expect to come from them. We have no power by legislation to affect the flow of opinion and of affection which has arisen so largely between the Mother Country and her Daughter States. Those will go on in their own power—in their own irresistible power—and I have no doubt they will leave combinations behind them which will cast into the shade all the glories the British Empire has hitherto displayed. But we cannot safely interfere by legislative action with the natural development of our relations with our Daughter countries. All kinds of difficulties are there before us—difficulties as to the burden of finance, difficulties as to the duty of defence, difficulties as to the rights of decision which the Mother Country should retain, and, unless feeling is running very strong and we have a great force behind us, I look with some apprehension upon any attempt to anticipate the events or to forestall the results—the precious results—which, if we are only patient and careful, the future has in store for the Empire. . . . There is nothing more dangerous than to force a decision before a decision is ready, and, therefore, to produce feelings of discontent,

feelings of difficulty, which, if we will only wait, will of themselves bring about the results that we desire. There is no danger that appears to be more serious for the time that lies before us than an attempt to force the various parts of the Empire into a mutual arrangement and subordination for which they are not ready, and which may only produce a reaction in favour of the old state of things."

To Lord Salisbury, therefore, it was already clear in what direction Mr. Chamberlain was about to move; and it is also evident that he was gravely distrustful of the policy which was then fermenting in the mind of a colleague with whom, and against whom, he had fought so many battles in the past, and whose influence in the Cabinet was to be so greatly strengthened by his own retirement.

CHAPTER XX

THE TARIFF REFORM AGITATION

At the end of May, 1903, Mr. Chamberlain stood committed, by his speech at Birmingham and his explanations in Parliament, to the following propositions:—

(1) That the integrity of the British Empire could only be maintained by some approach to Commercial Union.

(2) That for the present this could best be effected by arranging a series of Preferential Tariffs between the Mother Country and each of her Self-Governing Colonies.

(3) That this would involve a tax upon food, but need not involve a tax upon the raw materials of British manufactures.

(4) That any increase in the cost of living for the working classes would, at least, be compensated by a rise in wages and by greater regularity in employment.

(5) That the unfair and oppressive burden imposed by Foreign Tariffs on British manufactures might and should be relieved by Retaliation on the part of the Imperial Government.

(6) That the whole of the extra revenue raised from the Duties to be placed on imports should be devoted to establishing Old Age Pensions for the Deserving Poor.

It is the object of this Chapter to show in what respects Mr. Chamberlain's position has since been developed or modified. He had not, it will be observed, proposed a general *Zollverein*; he had not advocated the taxation

of foreign food-stuffs by way of Protection for British agriculture, nor had he suggested that Fiscal Reform should take the shape of encouraging infant British industries, or reviving those which had begun to languish, unless they had been made the objects of hostile foreign Tariffs. He still claimed, therefore, to be considered a Free Trader, and expressly repudiated the name of Protectionist. His object, he has explained, was to enlarge the area of commercial liberty, or, at least, to relax, so far as possible, the existing restrictions. This policy, of course, does not fall within the definition of "Free Trade," as generally given in treatises on Political Economy, while it falls short of what is proposed by the advocates of "Fair Trade." Both terms, perhaps, are what Bentham called "question-begging appellatives" (as, indeed, are "Tariff Reform" and "Free Food"); and some unnecessary confusion of thought has been introduced into the present controversy through the various meanings which different persons place on the same term - sometimes for rhetorical effect, sometimes from sheer lack of comprehension.

The reception given to Mr. Chamberlain's proposals, especially as to the taxation of food, by the Trade Union Leaders was markedly unfavourable. They did not mince their words, and, with characteristic courage, Mr. Chamberlain replied that their opinion was no index to the general feeling of the working classes. As he knew it was impossible to conciliate them, he appealed over their heads to the popular judgment. This was done in a letter written to a correspondent on June 3rd, and published on the 8th. "It will be impossible," he went on, "to secure Preferential treatment with the Colonies without some Duty on corn as well as on other articles of food, because these are the chief articles of Colonial produce. Whether this will raise the cost of living, is a matter of opinion, and there is no doubt that in many cases a duty of this kind is paid by the exporter, and it really depends on the

extent of competition among the exporting countries. For instance, I think it is established that the shilling Duty recently imposed on corn was met by a reduction of price and of freights in the United States of America, and that the tax did not, therefore, fall in any way on the consumers here. But, even if the price of food is raised, the rate of wages will certainly be raised in greater proportion. This has been the case both in the United States and in Germany. In the former country the available balance left to the working man, after he has paid for necessities, is much larger than here. These are facts which we have to bring to the notice of the working man generally.

"There is another side of the question which also requires discussion. At present we go into negotiations with foreign countries empty-handed. We have nothing to give, and we have to take what they are good enough to leave for us. If we were able to bargain on equal terms, I believe that the Duties now imposed on our produce would be generally reduced. There would be a competition among foreign nations for our markets, which would bring us nearer to real Free Trade than we have ever been.

"As regards Old Age Pensions, I would not myself look at the matter unless I felt able to promise that a large scheme for the provision of such pensions to all who have been thrifty and well-conducted would be assured by a revision of our system of Import Duties." The last sentence was, it will be noted, an explicit re-affirmation of the pledge as to Old Age Pensions.

On 26th June he was the guest of the Constitutional Club at a luncheon given in honour of his work in South Africa. In his speech he repeated with emphasis his previous declaration that a system of Preferential tariffs was the only system by which the British Empire could be kept together. Incidentally, he exposed himself to criticism by two of the inadvertencies into which he is sometimes betrayed by his dialectical method. He represented that

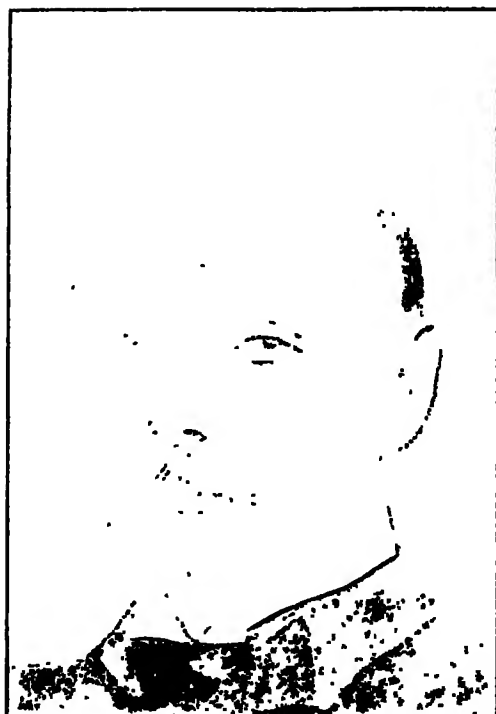
“over 10 million kinsmen” buy goods from us every year at the rate of £10 a head, while 300 million foreigners only take a few shillings worth a head. The point of the contrast was spoiled when it was remarked next day that in estimating the average commercial value of each of the King’s subjects he had forgotten to reckon the inhabitants of India and the other natives of our numerous Dependencies. When they are counted in, the comparison is by no means so favourable to the value of Imperial trade. Nor is it very striking when the total amount of our exports to the Self-Governing Colonies only is divided by the number of white inhabitants. Again, in seeking to emphasise the drawbacks of the “existing system of Free Imports” (he would not call it Free Trade), he quoted, “on the high authority of Sir Henry Campbell-Bannerman” the statement that “12 millions of our people are always on the verge of starvation.” This absurd proposition would not have imposed on Mr. Chamberlain, nor would he have repeated it as a serious argument, if he had given it a few minutes thought. It originated in an estimate made by Mr. Charles Booth—misunderstood and misquoted by other persons—as to the number of persons in England who are directly or indirectly dependent on precarious employment. Mr. Chamberlain, however, found that the statement had been adopted by a political opponent, and thought it good enough to use against him. But these were the mere flourishes of debate. Mr. Chamberlain was cautious enough when he approached the subject of “taxing the food of the people”:

“I come to the critical point. I am told ‘it is a main feature of your plan to increase the cost of the poor man’s food.’ Is it true? If it were it would be serious. I am not going to enter upon any economical discussion. I leave that to the experts, especially to the modern school of Political Economy, which does not invariably accept the positions which were laid down with so much confidence by the economists of an older school. I leave it to them

UNIONIST MINISTERS

The Unionist Ministry which came into office in 1895 has undergone several reconstructions: first, after the General Election of 1900; next, on the retirement of Lord Salisbury and Sir Michael Hicks-Beach in 1902; and again, after the fiscal resignations in the autumn of 1903. Of the twenty-one principal posts only three were held in 1895 by the persons who held them at the beginning of 1904, and only seven individuals were in both Ministries. Of the four on the plate, two, Mr. Long and Mr. Akers-Douglas, were among the twenty-one in 1895, but not in their present posts. Walter Hume Long, the member for South Bristol since 1900, was born in 1854. He was President of the Board of Agriculture in 1895-1900, and in the latter year went to the Local Government Board. Aretas Akers-Douglas, member for St. Augustine's Division of Kent since 1895, was First Commissioner of Works during 1895-1902, and became Home Secretary at the second reconstruction. He was born in 1851. William St. John Fremantle Brodrick, born in 1856, is the heir of the present Viscount Midleton. He has represented the Guildford division of Surrey since 1885, and after serving as an Under-secretary he became head of the War Office in 1900. In 1903 he was made Secretary for India. Andrew Graham Murray, born in 1849, member of Parliament for Bute since 1891, became Lord Advocate of Scotland in 1896, and Secretary for Scotland in 1903.

UNIONIST MINISTERS



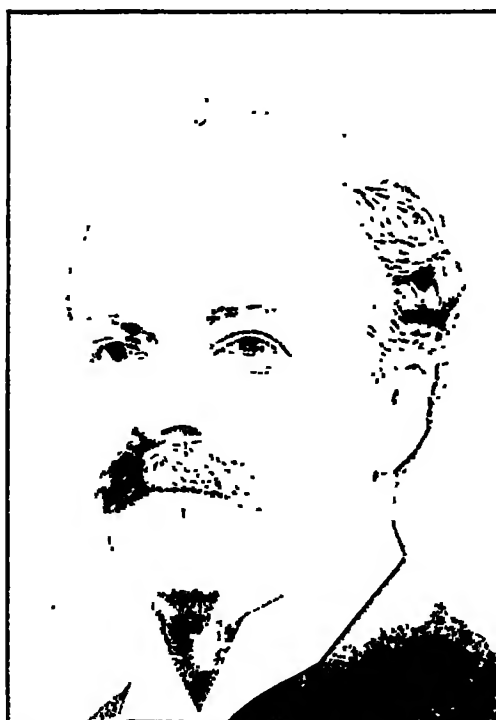
Rt. Hon. W. H. LONG

Hutt & Fry



Rt. Hon. A. AKERS-DOUGLAS

Hutt & Fry



Rt. Hon. A. GRAHAM MURRAY

Mackenzie



Rt. Hon. W. ST. JOHN & BRODRICK

Russell

whether a tax upon any article of consumption will in the long run inevitably be paid by the consumer, or whether it may not possibly be paid in part or in whole by the producer of the article. But I put that aside. I say—as I have said before—I am willing to assume for the sake of argument—although I do not believe it myself—that the whole cost of the tax will fall upon the consumer; but even then, suppose that the tax upon corn increases the price of bread, does that necessarily increase the cost of living? ‘Man does not live by bread alone.’ If the increased cost of bread has made a proportionate decrease on some other articles, either of consumption or that are necessary to the comfort of life, then, in that case, although the price of a particular article may be raised, the cost of living will not be increased in the slightest degree. Well, you know that I have suggested—it is my own suggestion—nobody else is answerable for it—that inasmuch as any alteration of our fiscal system must largely increase the sums received in the shape of indirect taxation, that a portion of those sums, at any rate, should be applied in order to provide old age pensions for the poor. Thereupon, I am told that this is a most immoral proposition; that it is a discreditable attempt to bribe the working classes of this country. That criticism is hasty, and it is harsh. Those who make it have altogether forgotten my past in this matter. I entered upon an investigation of the subject many years ago. It is always near my heart. I believe that such a system would be of immense advantage to the people. I have earnestly desired to make it successful, and up to the present time I have failed, because it was impossible to see any source from which the money which would be requisite could fairly and justly come. As long as we depend so much upon our direct taxation, as long as there is an inclination to put every increased expense upon this direct taxation, I say it would be very unfair to think even of Old Age Pensions, as the result would be an enormously increased burden upon the payers of Income-tax, many of whom are

already sufficiently straitened in the condition of life in which they find themselves. That has been my difficulty.

"Was it not natural when, in connection with this new subject, I thought that it was probable large sums might be at the disposal of any future Chancellor of the Exchequer, that I should put in a word for my favourite hobby, if you like to call it so, and that I should ask the working classes—for it is to them that I look for the answer—to consider whether it would not be better for them to take the money which is theirs in the shape of a deferred payment and a provision for old age rather than in the shape of an immediate advantage? That is all that I have done, but it has no part whatever in the question of a reform in our Fiscal policy. That is a matter which will come later. When we have got the money, then will be the time to say what we shall do with it, and if the working classes refuse to take my advice, if they prefer this immediate advantage, why, it stands to reason that if, for instance, they are called upon to pay threepence a week additional in the cost of their bread they may be entirely relieved by a reduction to a similar amount in the cost of their tea or their sugar or even of their tobacco. If what is taken out of one pocket can be put into the other, there is no working man in the Kingdom, no man, however poor, who need fear under the system I propose that without his good-will the cost of living will be increased by a single farthing. I think that I might try to make this clear, I think there never was a grosser imposture than the cry of the Dear Loaf. We know what is intended by it; but I say again that the course which is indicated in that expression is one which there is not the slightest chance that any Government will follow, unless, indeed, as I have said before, it should become evident that it was the desire of the working men themselves in this way to insure themselves against old age, unless it was perfectly clear that they preferred that to any reduction in the general cost of living."

The meaning of this declaration was not obscure.

Mr. Chamberlain had already accepted two very important modifications in his original programme. In the first place, he had struck out the article as to Old Age Pensions. This does not mean that he has definitely and finally given up the scheme, but it is to "have no part whatever in the question of a reform in our Fiscal policy." It is a "matter which will come later". And it may here be noted that the authorised edition of his speeches between May 15 and November 4, published by Mr. Grant Richards under the title of *Imperial Union and Tariff Reform*, does not include either this or the other two speeches dealing with the subject. It is true that both the other speeches were delivered in the House of Commons, and the official collection consists exclusively of platform utterances. That may be one reason for the omission, but it has been freely asserted by Mr. Chamberlain's critics, and never denied by his supporters, that on this question he has—for the present, at least—made a retreat.

Another and scarcely less important point on which he soon found it advisable to reconsider his position was as to the cost of living. At the outset he had assumed that Tariff Reform might increase the weekly expenditure in the working man's household, but had undertaken at the same time to show that this would be compensated by a rise in wages. Naturally, his critics pointed out that the increase in prices would be certain, while the rise in wages was, at the best, problematic. As this view seemed not unlikely to prevail, Mr. Chamberlain promptly decided to shift his ground. It was true, he admitted, that the taxation of food might involve a slight increase in some of the articles consumed by the working classes, but this should be compensated by lowering the cost of others. How this was to be done he was disposed to leave for subsequent explanation. But some of his supporters were less patient, and put forward, as of their own initiative, various schemes by which the desired equilibrium might be effected. After this sort of thing had gone on

for some time, it was thought advisable by the Tariff Reform League to elicit an authoritative statement from Mr. Chamberlain himself. His reply, however, dated 15th August, and published on the 18th, did not go into details.

"I had hoped," he wrote to Mr. Griffith-Boscawen, "that the statements which I have already publicly made on the questions referred to in your letter were so definite that they could not be misunderstood nor misrepresented. As, however, you say that this is not the case, I have no hesitation in repeating them.

"I have never suggested any tax whatever on raw materials, such as wool or cotton, and I believe that such a tax is entirely unnecessary for the purposes which I have in view—that is, for a mutual Preference with our Colonies, and for enabling us to bargain for better terms with our foreign competitors.

"As regards food, there is nothing in the policy of Tariff Reform which I have put before the country which need increase in the slightest degree the cost of living of any family in this country."

There, for a time, the matter had to rest, as Mr. Chamberlain refused to be drawn into further explanation.

In the House of Commons, as we have seen, the Prime Minister throughout the Session refused to find a day for a regular discussion—for which, *ex hypothesi*, the material was lacking—unless the Leader of the Opposition would challenge the Government by proposing a formal Vote of Censure. Nevertheless, in the Debate on the Corn Duty (9th June), both the Chancellor of the Exchequer and his predecessor in that office expressed their strong dissent from the policy of Mr. Chamberlain. Mr. Ritchie had no objection to an inquiry being held, but he would be surprised if it were to show them any practical means of carrying out a system of Preferential tariffs. He was a convinced Free Trader,

and, as at present advised, could not be a party to a policy which, in his opinion, would be detrimental both to this country and the Colonies. Sir Michael Hicks-Beach declared that it would be deeply injurious to this country, and would do more to disunite than to unite the Empire. Much as he disapproved of the repeal of the Corn Duty, he accepted it as "the alternative policy to a much greater evil." He was opposed to the principle of using our Tariff for purposes of Retaliation and Preference. It could only be adopted, and only be maintained, with the general consent of the country. What chance had the Prime Minister and the Colonial Secretary of obtaining such a general assent? The promulgation of this new policy had performed something akin to a miracle—it had united the Opposition. If persisted in it would, in his opinion, "destroy the Unionist Party as an instrument of good." In the Upper House (15th June), it was denounced in even stronger terms by Lord Goschen, another Unionist ex-Chancellor of the Exchequer, as "a gamble in food." He would not countenance the suggestion that a rise in prices would be followed by an increase of wages. Lord Lansdowne's speech was taken to indicate a general agreement with Mr. Chamberlain's policy, but the Duke of Devonshire and Lord Balfour of Burleigh, while supporting an inquiry, indicated quite unmistakably that they did not believe it would result in establishing the need for reversing our Fiscal policy.

An important side-issue was also raised in the Upper House, on 10th July, by Lord Northbrook, who wished to know how a Preferential System would be applied to India. Was India to be left out? and how could it be included? To this Lord Lansdowne replied that no plan had yet been formulated, but that India would certainly not be excluded from the scope of the Government inquiry.

It will be observed that most of the hostile criticism

of Mr. Chamberlain's new departure had been directed against the Preferential scheme, while his proposal that the Imperial Government should be armed with powers to retaliate on tariffs directed against the trade of the United Kingdom or any of its Colonies, though not universally accepted, had almost escaped attack, except from the thorough-going adherents of Cobdenism. This is not because Englishmen were insensible to the advantages of developing trade within the Empire, or because they were doubtful of the motives with which Mr. Chamberlain has propounded his Preferential policy. They were waiting for him to show how it could be carried out — *i.e.*, without exposing the United Kingdom to a loss quite disproportionate to any advantage expected for the Colonies.

If the verdict on this point goes against him, he still has Retaliation to fall back upon. But that, it may be said, would have little bearing on the Colonial policy with which he desires to associate his name. There is, however, one point at which the two policies come into contact. It so happened that the policy of Retaliation found its most effective support on a Preferential side-issue. A very strong impression was produced in the country by the Correspondence (published 13th July) between Germany and Great Britain in regard to Canada.

Both Germany and Belgium had taken strong exception to the action of the Dominion when it first conferred a tariff advantage on goods imported from the Mother Country. It was inconsistent, they said, with the Commercial Treaties then in force, which applied to British Colonies as well as to Great Britain, and they claimed to share the Preferential treatment accorded to Great Britain. After some correspondence, Germany demanded that the Imperial Government should put an end to the violation of the Treaty involved in the action of the Canadian Government. Legally, we had no reply so long as the Treaties remained in existence, and, as we have seen,

notice of "denunciation" was forthwith given by our Government. In the course of the prolonged negotiations for a new arrangement with Germany, it was pointed out by Lord Salisbury that the French Colonies gave a Preference to the Republic, yet were admitted by Germans to the most-favoured-nation treatment. Why should a British Colony be placed in a worse position? Lord Salisbury refused, "under any circumstances," to acquiesce in the previous restrictions on the action of our Colonies. In consequence of this, in the temporary arrangement which was arrived at, Canada was excluded from most-favoured-nation treatment. So the matter dragged on till June 1899, when Lord Salisbury again pressed his comparison of the British with the French Colonies. Baron von Richthofen replied that German commercial relations with France and French Colonies were regulated by the Treaty of Frankfort.

"Canada," he added, "has deprived Germany of a valuable right, of which we retained possession for more than thirty years under the Anglo-German Commercial Treaty which has come to an end. It cannot be expected of Germany, that upon a change being made by one party in the state of affairs which has hitherto prevailed she should accept the change without more ado; it is the less to be expected, as it is in the interests of the development of the commerce of the world, and of the mutual relations of trade and navigation between Germany and the British Mother Country, that, in the British Colonies, equal treatment should be given to the products of Germany and of Great Britain."

Nothing further of importance happened until 18th March 1903, when Lord Lansdowne inquired from Sir Frank Lascelles what steps, if any, were being taken by the German Government with regard to the law empowering them to give most-favoured-nation treatment to this country after 31st December next, on which date the temporary arrangements made under the law of 29th May

1901 would come to an end. By this time it was known that the South African Colonies had decided to give Preferential treatment to British goods, and Baron von Richthofen was doubtful whether the desire of the German Government to prolong the existing arrangement could be realised if Germany were differentiated against in important parts of the British Empire, and if, in particular, the report were confirmed that German goods would in the future be less favourably treated than British, not only in Canada, but also in British South Africa. He told Sir F. Lascelles verbally that if other British Colonies followed Canada's example, and large portions of the British Empire were to give Preferential treatment to Great Britain, it would be very difficult to obtain the consent of the Reichstag¹ to the prolongation of most-favoured-nation treatment to Great Britain herself.

That was on 23rd April, and on 20th June Lord Lansdowne wrote an important Despatch to the Berlin Embassy, in which, after recapitulating the history of the affair, he said, referring to Baron von Richthofen's statement, just quoted:—

“This communication has greatly increased the difficulty of the situation, and I have now to give you the following instructions as to the language which you should hold with regard to this most important question. You should, in the first place, remind the German Government that the Treaty of 1865 between the United Kingdom and Germany was terminated by His Majesty's Government, in order that this country and her Colonies might be at liberty to make such arrangements as might be considered desirable in respect of their mutual trade. To this policy His Majesty's Government adhere. As regards Canada, the action of the Dominion was taken only after every

¹ The Reichstag, however, has not acted on this veiled menace. The *modus vivendi* has been prolonged without the reprisal held out against Canada being extended to other British Colonies which are acting in the same manner, or to Great Britain itself.

effort had been made to secure fair treatment for Canadian produce in Germany. It was only after these efforts had failed, and Germany had persistently refused to accord to Canadian produce the same most-favoured-nation treatment that Canada accorded to German produce, that Canada was driven in self-defence to measures of retaliation. If Germany will restore Canadian produce to the most-favoured-nation terms, His Majesty's Government have not the least doubt that the increased duties which have just been imposed on German goods will be at once removed. Should the German Government, however, persist in the attitude which they have taken up on this matter, and, further, extend to the products of other British Colonies, and even to those of the United Kingdom, whose Tariff is at the present moment based upon the most liberal principles, the discrimination which they have enforced against Canada, a very wide and serious issue must inevitably be raised, involving the Fiscal relations of this country and the German Empire."

Baron von Richthofen's reply is dated 27th June, 1903. He takes credit for Germany having exhibited "a special desire to meet the wishes of Great Britain, for which there is no example in German legislation, either before or since." He goes on:—

"The application of the German General Tariff to Canada entails no unjustifiable discrimination, still less any penalising of that Colony, as has often been asserted; the Measure is merely a consequence of the expiry of the Anglo-German Commercial Treaty, and is necessitated by German law. No penal Measures or additional duties have, so far—and this must be expressly emphasised—been applied by Germany to Canada. Moreover, there is in the German procedure—for we wish also to correct this supposition, which has been often repeated—no interference in the relations between Mother Country and Colony. After the expiry of the Anglo-German Commercial Treaty, Germany could only choose whether she would apply her

General Tariff to Great Britain and all her Colonies, as according to German law would have been necessary in the ordinary course, or whether she would limit the application of the General Tariff to those parts of the British Empire in which there had been an alteration of the *status quo* affecting imports from Germany. The choice of the latter alternative, which is much more favourable to Great Britain and her Colonies, is considered by Germany to be requisite in the interests of mutual commercial policy, and to be practically justified, because Great Britain had declared on the most diverse occasions, that her Colonies formed independent territories for Customs purposes, and were independent as regards their decisions respecting the regulation of their relations with foreign countries."

"If, however," declares the German Minister, "the English Colonies are to be in a position to follow out their own Customs policy, other countries must be allowed to treat them as separate Customs territories."

He saw, however, that his threat to Great Britain had been a mistake in tactics as well as a breach of good manners, and expressed his hope that a practical solution of the difficulty might still be found. To this Lord Lansdowne gave a notably polite reply, but could not accept the explanation which Baron von Richthofen had offered with regard to the menace.

"Baron von Richthofen apparently desires to treat this intimation, which he describes as having been confidentially made to Sir F. Lascelles, as an *obiter dictum* of no great importance. It was, however, impossible for His Majesty's Government so to regard it. The announcement made in Baron von Richthofen's Note, which was not marked 'Confidential,' and was of the most authoritative character, seemed to them at the time, and still seems to them, capable of no other interpretation than this—that if other British Self-Governing Colonies should follow the example of Canada and accord national treatment to British imports, the German Government might find themselves

compelled to refuse, not only to those Colonies, but to Great Britain herself, the treatment which, in view of the liberal terms upon which German imports are admitted to this country, we are entitled to expect upon the most ordinary grounds of reciprocity. Such retaliation on the part of the German Government would, in our opinion, not be justifiable in itself, and would be inconsistent with the attitude which, as we understand Baron von Richthofen's argument, the German Government desire to assume towards the British Self-Governing Colonies. If it be true, as stated in the Note, that those Colonies are regarded by the German Government as 'independent customs districts' which foreign Powers are at liberty to treat as such, it would follow that no responsibility would attach to the Mother Country for their external Tariff arrangements, and that it would be wholly inequitable and illogical to retaliate upon the Mother Country in consequence of the manner in which the Colonies had made use of their opportunities. This argument, however, although it appears to His Majesty's Government a legitimate rejoinder to that of Baron von Richthofen, is not one on which they desire to lay stress, for so far as the present controversy is concerned, they have no intention of drawing a distinction between their own interests and those of the Self-Governing Colonies."

The terms and the tone of Lord Lansdowne's reply were approved even by Englishmen who understood the Berlin point of view—that Germany was entitled to ask that Canada should be treated either as an independent State or as a Colony, and should not at the same time claim the privileges of both conditions. But any technical case which the Germans could have set up was spoiled by the roughness of the methods employed to assert it.

As it stands, the controversy suggests a problem on which the Duke of Devonshire has insisted. If a solid scheme of partnership is to be instituted between the Mother Country and each of her Colonies, if every Treaty

that confers an advantage or imposes a responsibility on the one is to have the same operation in regard to the other, it follows, as Mr. Chamberlain has by implication admitted, that the British Government must have some voice in the commercial policy of her Colonies. Or, as Mr. Chamberlain and Sir Wilfrid Laurier would prefer to put it, we must call the Colonies to our Councils. But this could not be done without our giving up some of the independence of the Imperial Government or without demanding a corresponding sacrifice from the Colonies. On this point, however, Sir Wilfrid Laurier would be obdurate. Speaking at Montreal on 21st August, he declared that the price would be too heavy for any advantages to be expected.

"If we are to obtain from the people of Great Britain a concession for which we would be prepared to give an equivalent, and if we are to obtain it also at the expense of the surrender of some of our political rights, for my part I would simply say, let us go no further, for already we have come to the parting of the ways. Canada values too highly the system which made her what she is to consent willingly to part with any portion of it for whatever consideration; and, even for the maintenance of the British Empire, I think it would be a most evil thing if any of our Colonies were to consent to part with any of their legislative independence. Nor do I believe that, in order to make such an arrangement of a commercial nature as I have spoken of a moment ago, we should be called upon to make any sacrifice of dignity and independence."

The position taken up by Sir Wilfrid has been still more strongly affirmed by Mr. Sifton, one of his most influential colleagues, nor has any Australasian Statesman used language that would favour any different interpretation of Colonial feeling.

From the middle of May to the third week of September it is doing no injustice to the majority of the Unionist members of Parliament to say that they were chiefly occu-

pied in "marking time." On the one hand, they shrank from opposing a Statesman who had so strongly impressed the popular imagination and had inspired the country with a belief in his businesslike capacity. On the other, they were startled by proposals which, whether adopted on a large or a small scale, marked a direct breach with what had now become the historic policy of Parliament. It is true that they were promptly and effusively welcomed by a small and energetic group of not specially distinguished politicians, while they were as keenly denounced by a somewhat smaller body of rather better-known members. But the bulk of the Party fell in gratefully with the dilatory tactics by which Mr. Balfour avoided an engagement on the floor of the House. They were assisted in gaining time to make up their minds by the "masterly inactivity" of the Leader of the Opposition. Against the advice of some of his Radical supporters, he decided not to challenge the Government by moving a Vote of Censure, and one of his motives was, no doubt, a wish not to drive those Unionists whom he suspected of disaffection into the choice between supporting and opposing the Ministry. He preferred to stand aside so that the split which he saw coming might gradually widen. Nor was there on the Fiscal question any need to rally his own Party or show them sport at once. Whatever may be the ultimate effect of "Mr. Chamberlain's policy" on the Unionist Combination, it has, undoubtedly, brought the Liberals into a closer and more cordial harmony than they have known since 1886. On this subject all sections have agreed to co-operate, nor is there any likelihood of an appreciable secession. It is, indeed, known that a prominent Liberal organiser recently expressed his readiness to open negotiations with Mr. Chamberlain's followers on the basis of supporting Retaliation and repudiating Preferences. That offer was not entertained. The overtures were at once rejected on one side and on the other withdrawn. It may be taken for granted, therefore, that Mr. Chamberlain has

to confront, in the Opposition, a united and a resolute, even an enthusiastic, Party.

If amongst the Unionist members in the House of Commons there was observed, for nearly four months, a troubled sort of Truce, no such understanding was even attempted within the Cabinet. Though no authentic details were published as to the dissension that was raging among Ministers—not less acutely because they had ostentatiously separated at the Prorogation of Parliament—it was well known that no working compromise could be invented, and speculation was only concerned as to which section would eventually get the upper hand. It has now been announced that in September the Prime Minister issued to his colleagues two separate Papers. The one, dealing with Retaliation, has since been published in a somewhat revised form under the title of “Insular Free Trade.” The other, which dealt with the Preference question, has not yet seen the light (December 1903). It was, in fact, withdrawn by the author, and, by a convenient political fiction, may be regarded as non-existent. In disclosing the fact that such a document had been drafted, Lord George Hamilton gave no indication to the nature of its contents, but it may be reasonably assumed that it went some little way towards accepting Mr. Chamberlain’s opinions in principle, though it differed as to the time and method for giving effect to them.

When the Cabinet assembled for the eventful Council of September 14th all the Members had these two pamphlets before them, and on their joint acceptance or rejection of one or both depended the great question which they had met to decide. But it was not known, except to a very small number of Mr. Balfour’s colleagues, that he carried in his pocket a letter of resignation written by Mr. Chamberlain and dated September 9th. As to the terms on which it was given and received no authoritative statement has yet been made, but it is not stretching the limits of permissible conjecture to suggest that the Prime Minister and the

Colonial Secretary had agreed that the document should not be used except by mutual consent. And we know that no hint as to its existence was given at the meeting of the Cabinet.

These are the terms of the letter:—

“HIGHBURY, BIRMINGHAM,
“September 9th, 1903.

“MY DEAR BALFOUR,—

“In anticipation of the important Cabinet which is to meet on Monday, I have most carefully considered the present situation as it affects the Government, and also the great question of Fiscal reform. When you, in replying to the deputation on the corn tax, and I in addressing my constituents at Birmingham, called attention to the changes that had taken place in our commercial position during the last fifty years, and suggested an inquiry into the subject, I do not think that either of us intended to provoke a purely Party controversy.

“We raised, not for the first time, a question of the greatest national and Imperial importance, in the hope that it would be discussed with a certain impartiality by both friends and opponents, and that the inquiry thus instituted might lead to conclusions accepted by a majority of the people of this country and represented accordingly in the results of the next General Election.

“Whether our view was reasonable or not it was certainly not shared by the leaders of the Liberal Party. From the first they scouted the idea that a system which was generally accepted in 1846 could possibly require any modification in 1903, and the whole resources of the Party organizations were brought into play against any attempt to alter, or even to inquire into, the foundations of our existing Fiscal policy.

“Meanwhile the advocates of reconsideration were at a great disadvantage, owing to admitted differences of opinion in the Unionist Party. The political organizations of the Party were paralysed, and our opponents have had full possession of the field. They have placed in the forefront of their arguments their objections to the taxation of food, and even to any readjustment of the existing taxation with a view of securing the mutual advantage of ourselves and our Colonies, and the closer union of the different parts of the Empire.

“A somewhat unscrupulous use has been made of the old cry of the Dear Loaf, and in the absence of any full public discussion of the question I recognise that serious prejudices have been created, and that while the people generally are alive to the danger of unrestricted competition on

the part of those foreign countries that close their markets to us, while finding in our market an outlet for their surplus production, they have not yet appreciated the importance to our trade of Colonial markets, nor the danger of losing them if we do not meet in some way their natural and patriotic desire for preferential trade. The result is that, for the present at any rate, a Preferential agreement with our Colonies involving any new Duty, however small, on articles of food hitherto untaxed, is, even if accompanied by a reduction of taxation on other articles of food of equally universal consumption, unacceptable to the majority in the Constituencies.

"However much we may regret their decision, and however mistaken we may think it to be, no Government in a Democratic country can ignore it.

"I feel, therefore, that as an immediate and practical policy the question of Preference to the Colonies cannot be pressed with any hope of success at the present time, though there is a very strong feeling in favour of the other branch of Fiscal reform which would give a fuller discretion to the Government in negotiating with foreign countries for freer exchange of commodities, and would enable our representatives to retaliate if no concession were made to our just claims for greater reciprocity.

"If, as I believe, you share these views, it seems to me that you will be absolutely justified in adopting them as the policy of your Government, although it will necessarily involve some changes in its constitution.

"As Secretary of State for the Colonies, during the last eight years, I have been in a special sense the representative of the policy of closer union, which I firmly believe is equally necessary in the interests of the Colonies and of ourselves, and I believe that it is possible to-day, and may be impossible to-morrow, to make arrangements for such a union. I have had unexampled opportunities of watching the trend of events, and of appreciating the feelings of our kinsmen beyond the seas. I stand, therefore, in a different position from any of my colleagues, and I think I should be justly blamed if I remained in office and thus formally accepted the exclusion from my political programme of so important a part of it.

"I think that, with absolute loyalty to your Government and its general policy, and with no fear of embarrassing it in any way, I can best promote the cause I have at heart from outside, and I cannot but hope that, in a perfectly independent position, my arguments may be received with less prejudice than would attach to those of a Party Leader.

"Accordingly I suggest that you should limit the present policy of the Government to the assertion of our freedom in the case of all commercial relations with foreign countries, and that you should agree to my tendering my resignation of my present office to His Majesty, and

devoting myself to the work of explaining and popularising those principles of Imperial union which my experience has convinced me are essential to our future welfare and prosperity.

“Yours very sincerely,

“J. CHAMBERLAIN.”

No account, official or unofficial, has been given of the course which the discussion followed in the Cabinet, but when Ministers parted they had practically decided to accept the policy of Retaliation and to reject that of Preferences. Whether the decision would be unanimously accepted,—*i.e.*, whether the minority would consent to abide by the views of the majority—was not yet known even by the members of that body. One of them has asserted that it was quite well understood at the time that Mr. Chamberlain would resign; others have declared that no such impression was left on their minds, and that the first intimation which they received of the event was when they opened their newspapers on the morning of the 18th. Nor can there be much reasonable doubt that the latter is the correct version, and that the Minister who is responsible for the other statement was referring merely to an inference drawn by himself from the general tone of the discussion, not to any definite announcement made at the meeting.

It is certain also that for at least two days it was hoped by some members of the Cabinet that Mr. Chamberlain might be content with the acceptance of one part of his programme and submit to the rejection of the other—a rejection which, to his sanguine mind, might seem only to be a postponement. But between Monday the 14th and Thursday the 17th several things happened. An adjourned meeting of the Cabinet was held on the 15th, at which no change in the political situation was effected, and on the 16th Mr. Balfour's pamphlet on “Insular Free Trade” was given to the world, his views

on Preferences having been suppressed. The declaration of the Prime Minister on one point and his significant silence on the other were together interpreted as confirming the public belief that Mr. Chamberlain had suffered a partial defeat—a defeat which was more important than his partial success, because the point which he had failed to carry related to his position as Colonial Secretary.

Though hints were thrown out that he was not the man to tolerate an open rebuff, it was believed in many quarters that he would prefer to retain his position as a Minister, and go on working, from that advantageous position, for an object which he would not even pretend to abandon.

On the 16th, however, it had, apparently, been decided to put in force his provisional letter of resignation, and on the morning of the 18th it was published in the newspapers, with the reply from Mr. Balfour, which ran as follows:—

“10, DOWNING STREET, WHITEHALL, S.W.

“*September 16th, 1903.*

“MY DEAR CHAMBERLAIN,—

“I did not answer your letter of the 9th, which I received shortly before my departure from Scotland for the Cabinet meeting, as I knew that we should within a few hours have an opportunity of talking over the important issues with which it deals. The reply, therefore, which I am now writing rather embodies the results of our conversation than adds to them anything which is new.

“Agreeing as I do with you that the time has come when a change should be made in the Fiscal canons by which we have bound ourselves in our commercial dealings with other Governments, it seems paradoxical, indeed, that you should leave the Cabinet at the time that others of my colleagues are leaving it who disagree on that very point with us both.

“Yet I cannot but admit, however reluctantly, that there is some force in the arguments with which you support that course, based as they are upon your special and personal relation to that portion of the controversy which deals with colonial preference. You have done more than any man, living or dead, to bring home to the citizens of the Empire the consciousness of Imperial obligation, and the interdependence between the various fragments into which the Empire is

geographically divided. I believe you to be right in holding that this interdependence should find expression in our commercial relations as well as in our political and military relations. I believe with you that closer Fiscal union between the Mother Country and her Colonies would be good for the trade of both, and that, if much closer union could be established on fitting terms, its advantages to both parties would increase as the years went on and as the Colonies grew in wealth and population.

"If there ever has been any difference between us in connection with this matter it has only been with regard to the practicability of a proposal which would seem to require, on the part of the Colonies, a limitation in the all-round development of a Protective policy, and on the part of this country the establishment of a Preference in favour of important Colonial products. On the first of these requirements I say nothing, but if the second involves, as it almost certainly does, taxation, however light, upon food stuffs, I am convinced with you that public opinion is not yet ripe for such an arrangement. The reasons may easily be found in past political battles and present political misrepresentations.

"If, then, this branch of Fiscal Reform is not at present within the limit of practical politics, you are surely right in your advice not to treat it as indissolubly connected with the other branch of Fiscal Reform to which we both attach importance, and which we believe the country is prepared to consider without prejudice. I feel, however, deeply concerned that you should regard this conclusion, however well founded, as one which makes it difficult for you, in your very special circumstances, to remain a member of the Government. Yet I do not venture, in a matter so strictly personal, to raise any objection. If you think you can best serve the interests of Imperial unity, for which you have done so much, by pressing your views on Colonial Preference with the freedom which is possible in an independent position, but is hardly compatible with office, how can I criticise your determination? The loss to the Government is great indeed, but the gain to the cause you have at heart may be greater still. If so, what can I do but acquiesce?

"Yours sincerely,

"A. J. BALFOUR."

"P.S.—May I say with what gratification, both on personal and public grounds, I learn that Mr. Austen Chamberlain is ready to remain a member of the Government? There could be no more conclusive evidence that in your judgment, as in mine, the exclusion of taxation of food from the Party programme is, in existing circumstances, the course best fitted practically to further the cause of Fiscal Reform."

The friendly terms on which the separation had been arranged — Mr. Chamberlain's promise of a continued general support of the Government, and Mr. Balfour's significant reference to the position of the Postmaster-General, who was known to hold exactly the same opinions as his father, the ex-Colonial Secretary—created in some quarters a belief that the resignation thus announced was merely tactical. The Prime Minister, it was said, was at heart as firmly a believer in the Preference as in the Retaliation policy, while both were equally convinced that, while public opinion was ripe for the latter, it needed to be "educated" up to the former. Mr. Chamberlain had only left the Ministry that he might argue and agitate with greater freedom, and without seeming to commit his colleagues to opinions which the majority were not prepared to embrace. This view of the position was confirmed by the fact that the resignations of the Chancellor of the Exchequer (Mr. Ritchie) and the Secretary of State for India (Lord George Hamilton) were announced on the same day as Mr. Chamberlain's. Why, it was asked—and asked by others than the Prime Minister—should these Free Trade members of the Cabinet retire when Mr. Chamberlain had left it? A moderate measure of Retaliation they had professed themselves ready to accept; it was to the Preferential side of his Programme that they had expressed irreconcilable hostility. The answer is that they would not have left the Cabinet if they had been informed by Mr. Balfour that Mr. Chamberlain was going to retire. This was definitely stated by Lord George Hamilton in the letter which he addressed on September 25 to the Chairman of the Ealing Central Conservative Association, and was subsequently confirmed by Mr. Ritchie.

It was evident that both felt they had some ground of complaint against the Prime Minister for not acquainting them with the communication which he had received from Mr. Chamberlain, and for the promptitude with which he had agreed to their withdrawal. Liberal critics of Mr.

Balfour's action went a good deal further. They asserted that it had been his intention to get rid of the Free Trade members of his Cabinet, and, when this object had been accomplished, to tear up Mr. Chamberlain's letter of provisional resignation. The only reason why he had not taken this course, they went on to explain, was that the Duke of Devonshire had put down his foot. If the two Free Trade members had gone, and if Mr. Chamberlain had stayed, then the Lord-President would instantly have resigned. He had on the 16th agreed to stay because the two Free Trade resignations were balanced by Mr. Chamberlain's. If that political equilibrium had been disturbed, the Duke would have gone, and at that moment it was certain that other resignations would follow his. The only course before the Prime Minister would have been to fill up his Cabinet with supporters of Mr. Chamberlain, and appeal to the country on a Programme which, for electioneering purposes, would not have been distinguishable from Protection. The Opposition certainly would raise the cry of Free Trade, and on that issue the battle would have to be fought.

If Mr. Balfour was blamed on one side for conduct which was described with less complimentary epithets than "diplomacy" or "finesse," he was praised on the other for the "skill" and "tact" with which he had averted a split in the Party. Averted or only postponed? That was a question not yet settled. But at least it was a tactical advantage to have kept the Duke, with all his great influence and *prestige*, and to have shed two colleagues whose acceptance of Retaliation was, on their own showing, somewhat incredulous. The Chancellor of the Exchequer had written:—

"I am afraid that after what occurred at the Cabinet yesterday it is not possible for me to remain a member of the Government with any advantage either to myself or it, and I have therefore to ask you to place my resignation in the hands of the King.

“I am in entire sympathy with the desire to unite the Mother Country and the Colonies more closely together, but I know of no method by which Preferential treatment can be accorded to the Colonies other than that which has been advocated by the Colonial Secretary, namely, a taxation on food, which involves, as a consequence, an increase of taxation. To this policy I am opposed.

“We are also asked to abandon the Fiscal policy of the country from which we have derived so much advantage. But we are not told exactly what the proposal is. I would gladly give consideration to any practicable scheme for obtaining access to foreign markets, or for meeting evils of which we complain; but we have had no scheme placed before us. I fear that, however unintentionally, any proposal for retaliatory Duties would inevitably lead to Protection and produce far greater evils than it was desired to prevent.”

Lord George Hamilton's letter of the same date (September 15) was similar in tone, but lays special emphasis on the position in which India would be placed by Mr. Chamberlain's scheme:—“After the recent discussions in the Cabinet, and the knowledge I have obtained of the Fiscal propositions you propose to publicly advocate, I have no alternative but to take this course.

“For many years past I have believed that the greatest danger to British industries arises from the economical and scientific methods of production which our foreign rivals are introducing in the manufacture of articles in which we were formerly superior. Anything that tends to raise generally the price of production in this country is injurious to our trade. An interference with, or a reversal of, the policy of Free Imports must operate in that direction. I admit that certain branches of our exports have in recent years shown a lack of development, but I fail to see how recourse either to Protection or Retaliation can advantage our general export trade, unless it be at the expense of the home consumer. This country has borne

with surprising ease the heavy load of taxation necessitated by the South African War, and it has emerged from that ordeal with unimpaired credit and trade. The Board of Trade Returns of the last three years demonstrate that the springs and sources of our prosperity and commerce are undiminished and responsive.

"I cannot be a party to the reversal of these principles of our Fiscal policy, which I believe have greatly contributed to build up the fabric of this prosperity.

"As regards India, I am of opinion that a system of Preferential trade inside the Empire and of Retaliation outside will be detrimental both to her commerce and industry. The products that India can with most profit to herself grow and most easily export are of such a character and volume as to be beyond the normal demands of the British Empire. Free access to foreign markets is essential to India if these branches of her commerce are to be developed. Whatever may be the operation of Preferential tariffs inside the Empire, Retaliation outside will tend to aggravate and heighten the existing hostile tariffs of foreign countries.

"With the exception of these Fiscal and economic controversies, there is no public subject upon which I am not ready to support you and your Government. Still, I feel that I cannot conscientiously embark in an enterprise such as you are about to lead if I do not believe in its efficacy or practicability."

Three days later (September 21) it was announced that Mr. Ritchie and Lord George Hamilton had been followed in their resignation by Lord Balfour of Burleigh (Secretary for Scotland) and Mr. Arthur Elliot (Financial Secretary to the Treasury). Their delay in taking this course had been due to official reasons, not to any hesitation on the part of either Minister.

From that day to the end of this troubled month it seemed to the outside public that things were going more quietly, and the general expectation of the Unionists

turned hopefully to the opening at Sheffield (on October 1) of the Annual Conference of Conservative and Constitutional Associations. The Prime Minister had promised to address a mass meeting in the City, and it was hoped that he would discover and explain some middle course which might be accepted by both wings of the Party and become the basis of a common policy. The speech, when delivered, was accepted with much enthusiasm at Sheffield, and had an immediate and practical effect on the proceedings at the Conference. Before Mr. Balfour spoke it had been feared that the duel between the "Chamberlainite" and the "Free Food" sections would be fought to a finish. Sir John Dorington had moved a Resolution thanking the Prime Minister for having instituted an inquiry into the existing Fiscal System. To this Mr. Chaplin had proposed a Rider which amounted to an acceptance of the Preference policy, and to this Sir John Gorst intended to move an Amendment condemning the taxation of food. An excited, not to say acrimonious, discussion was commenced, but the proposal to adjourn it to the next day was generally welcomed, in the hope that Mr. Balfour's public speech in the evening would lead, if not to final terms of peace, at least to an armistice. This, when delivered, was so far successful in its object—reinforced, as it was, by the orator's personal influence with both sections of the Party—that on the following day Mr. Chaplin withdrew his Rider and Sir John Gorst announced that he would not raise the question of the taxation of food. This left the way clear for Sir John Dorington's innocuous Resolution, which was passed without opposition, though some of the "Free Food" Unionists abstained from voting for it.

The speech which had produced this calming effect on an excited Party gathering began with a brief review of the causes which had brought the Fiscal question into sudden prominence. Mr. Chamberlain's utterance at Birmingham would not have had such extraordinary effect

"if it had not fallen on ground prepared for it by circumstances." An adroit reference was made to the recent grievance of Canada against Germany, and then an explanation was given of the insuperable difficulties which a British Minister had to encounter in attempting to obtain fair terms for the trade of this country.

"My request" (Mr. Balfour said) "therefore to you to-night—the fundamental and essential request to which everything I have to say in the remainder of my speech is subsidiary and accidental—is that the people of this country should give to the Government of this country, from whatever party that Government may be drawn, that freedom of negotiation of which we have been deprived, not by the force of circumstances, not by the action of overmastering forces, not by the pressure of foreign Powers, but by something which I can only describe as our own pedantry and our own self-conceit." (A Voice—"How can we give you that power?") "I have stated the fundamental proposition which I wish to affirm, but I agree with my friend opposite that it is necessary for me, though it may not be interesting to you, that I should answer some questions which will inevitably be asked as to the manner in which that freedom for which I ask is going to be used. I would, however, observe that that question is often put in a manner which I regard as highly unreasonable. I suppose there is not a man in this room who denies that we ought to have a Fleet or Navy, but am I or is any other Minister to tell you how that Navy is to be used in 1904, or 1905, or 1906, or 1907? That is a prophetic calculation which neither I nor any other man can make. All you can say is this—that it is absolutely necessary for this country to have at its command in case of need a great Navy, and it is necessary, though I admit less necessary, but it is necessary, in my judgment, that this country should also have at its command those instruments of negotiation for which in general terms I have already pleaded. How either of these instruments of national policy is to be employed must

necessarily depend on the exigencies of the moment. But though I think the question is thus put very often in a most unreasonable fashion, I am perfectly ready to answer it so far as in my judgment it can be answered by hypothesis and prophecy."

Passing on to the Preference policy, Mr. Balfour did not condemn it in principle, but he ruled it out of the Party Programme:—

"I do not think that public opinion is ripe in this country for the taxation of food. I have given the matter my most earnest consideration, and that is the conclusion at which I have arrived. Of course, all must admit—I do not care what their opinions are—all must admit that the taxation of food, indeed every kind of taxation, is, in itself, an evil. I think indeed that the evils of the taxation of food, so far as that taxation is kept within narrow limits—I want to tell the whole truth to this vast audience—I think that the evils of the taxation of food kept within those narrow limits have been exaggerated beyond what reason and logic justify, but I think, nevertheless, for historic reasons, that feeling—though it does go beyond what logic and reason seems to justify—is one of those ingrained—perhaps "ingrained" means nearly permanent—but one of those sentiments born of the history of a people of which it is absolutely necessary that every practical Statesman should take account, of which I do take account, and which I believe you cannot traverse with impunity. . . . The memory of the misery endured by our working classes, and especially by the agricultural labourer in the days when wheat was at 70s., 80s., or 100s. a quarter, has become associated, though I admit with very little historic propriety, but it has, as a matter of fact, become associated with the question of the abolition of the corn tax. It has been burnt into the historic imagination of the people. It cannot be eliminated by the best logic, the most conclusive reasoning, or the most eloquent speeches. I am, therefore, distinctly of opinion—I am speaking here

NEW UNIONIST MINISTERS

The fiscal controversy started by Mr. Chamberlain in May, 1903, led to the resignation of several Ministers in the autumn: namely, Mr. Chamberlain himself, Mr. C. T. Ritchie, Lord George Hamilton, Lord Balfour of Burleigh, and the Duke of Devonshire. The post which the ex-Colonial Secretary made so prominent was given to the Hon Alfred Lyttelton (born 1857), a nephew of Mr. Gladstone. Mr. Ritchie's place at the Exchequer was taken by Joseph Austen Chamberlain (born 1863), eldest son of the ex-Colonial Secretary. Lord George Hamilton was succeeded at the India Office by Mr. Brodrick, and the vacancy thus created at the War Office was filled by Hugh Oakeley Arnold-Forster (born 1855), adopted son of the late W. E. Forster. Since 1900 the post of First Lord of the Admiralty has been held by William Waldegrave Palmer, second Earl of Selborne (born 1859), son of Mr. Gladstone's Lord Chancellor and son-in-law of the late Lord Salisbury.

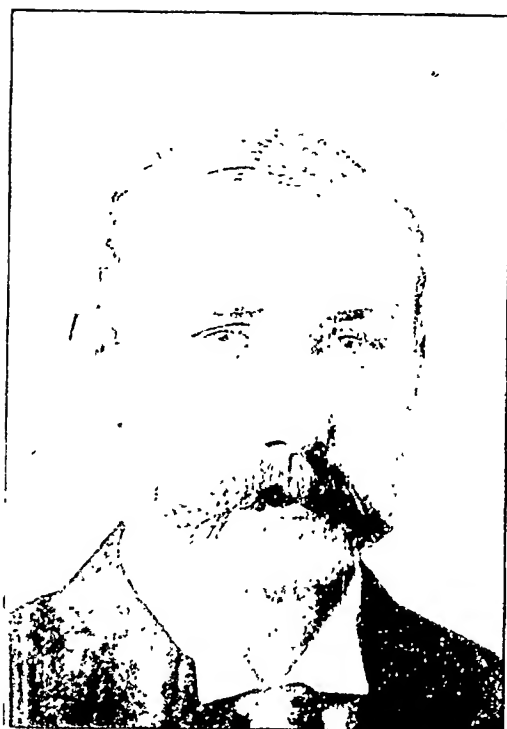
NEW UNIONIST MINISTERS



Reeford
RT. HON. ALFRED LYTTELTON



Holt & Fry
RT. HON. H. O. ARNOLD-FORSTER



Holt & Fry
EARL OF SELBORNE



Stereoscopic
RT. HON. J. AUSTEN CHAMBERLAIN

as one who is bound to give advice to a great party on the policy which they should regard as their official policy as the best results of my reflections, I am bound to ask you to adopt the conclusion that a tax on food is not, with public opinion in the state in which we now find it, within the limits of practical politics."

The conclusion of the speech was, perhaps, the most important if the least conclusive part:—

"May I convert myself for the moment on your behalf into a questioner, and may I put questions to myself? Very well, the first question which I put to myself is this:—I can imagine the gentleman who interrupted me most courteously a few minutes ago putting this question to me. He may say, 'Do you mean to come forward and ask the country to reverse the verdict arrived at in the great lawsuit between Free Trade and Protection in 1845 and 1846?' My answer is simple and plain. I regard the controversy of 1846 as of no interest whatever to us now except from an historical point of view. It is over and done with. I care no more for the quarrel between Mr. Cobden and his opponents than I do about the Bangorian controversy, which I expect nobody in my audience has ever heard of. All that was appropriate in 1845 and 1846 is utterly inappropriate in 1903 and 1904. Our grandfathers fought out their battle as practical men, and with a view to the actual situation of the world in which they lived. Let us in that respect imitate their example, and let us not be misled by musty debates, living enough to those who took part in them, but which are as dead to us as ours will be to our grandsons sixty years hence. That is the first question which I put.

"The second question I will imagine being put to me is this: 'Do you desire to reverse the Fiscal tradition, to alter fundamentally the Fiscal tradition, which has prevailed during the last two generations?' Yes I do. 'And how,' I imagine my questioner going on, 'do you propose to alter that tradition?' I propose to alter

that tradition by asking the people of this country to reverse, to annul, and delete altogether from their maxims of public conduct the doctrine that you must never put on taxation except for Revenue purposes. I say distinctly that in my judgment the country ought never to have deprived itself of that liberty, and it ought publicly to resume, in the face of Europe and the world, that liberty of which it deprived itself. Of course, that liberty so resumed may be abused. I do not doubt it. It may get into incompetent hands; very possibly. But nevertheless, in my opinion, it should be resumed. This country should again have what every other country in the world possesses, and that of which no other country in the world would think of depriving itself, the liberty to negotiate and something to negotiate with.

"The next question I can imagine being asked of me is 'Why do you want to resume this liberty of negotiation, seeing how well the country has prospered for all those years without it?' To that my reply is, I hope, explicit and distinct. My object is to mitigate, as far as circumstances allow, the injury done to us by hostile tariffs. Those hostile tariffs have inflicted on us injury of a double kind. They have divided one fragment of the Empire fiscally from the other. They have diverted our industries into channels into which they would never have naturally flowed, they have restricted and hampered our export trade, and their effect has acted and reacted over the whole community, whether they be consumers, producers for home consumption, or producers for export.

"Those are the evils—and in addition, there is another, namely, the insecurity which, I fear, some great branches of our industry suffer, and must suffer, so long as we permit Protective duties, in combination with Trusts, to pour into this country at an unnatural price, goods which, under a true system of Free Trade, under a system, I mean, in which every country produces according to its natural capacity, would never be able to compete

with, and never be able to outstrip, the industries of home origin. Two other questions, and only two others, have to be asked. 'Will the remedy you propose be complete?' To that I answer that it will not be complete, even if it can be tried in its integrity; and it cannot be tried in its integrity because I believe the country will not tolerate a tax on food.

"And if the question be asked me, 'Then do you think it is of any value?' To that I reply with equal clearness, emphasis, and decision that, in my judgment, undoubtedly it will be useful. There have been plenty of occasions in the past, and believe me there will be plenty of occasions in the future, when a British Minister, having to conduct a great commercial negotiation, will feel his hands strengthened, will feel that he is indeed able to represent the interests of the great country whose foreign affairs he has to manage, if he can say to the Minister of the country with whom he is negotiating: 'We do not ask you to reverse your commercial policy; we do not ask you for anything which is impossible, but common justice and common fair treatment we do ask, and if we do not get it we will take our own measures.'

"I hope that, at the risk of some length and some tedium, I have, at all events, avoided any kind of obscurity. I have been asked to give a lead. I think that request was a reasonable one. A man who, however unworthy, is called on to lead a party must lead it, and so long as I am in that position I mean to lead it. I have given this great topic my best thoughts, my most earnest consideration, and I am firmly convinced that the policy which I now recommend to the party and to the country is not only in absolute harmony with all our best traditions, not only finds precedent and support in the statements of all our greatest leaders, is not only in perfect conformity with the spirit of the great body which we here represent, but that also and beyond all, it is the best which this country, depending for its greatness, as it does, on its

commercial position in the world, can adopt. In that faith, in that belief, and with all earnestness of purpose, I recommend it to your favourable consideration."

Although the Prime Minister, by his speech on October 1st, followed by one the next day in which he still more strongly declared that the policy just announced by himself was to be the policy of the Government, had established a sort of *modus vivendi* amongst the rank and file of the Party, it was made the occasion for his most important colleague to part company with him. On the 3rd the Duke of Devonshire telegraphed to Mr. Balfour for permission to announce his resignation, having, on the previous evening, written the following very interesting letter:—

"PRIVY COUNCIL OFFICE,
"October 2nd, 1903.

"MY DEAR BALFOUR,—

"I have, since we last met, felt an increasing doubt whether I had been well advised in consenting to separate myself from those of our colleagues whose resignations were tendered and accepted last month.

"But, until some new development of the situation should have taken place, I had not thought it necessary to trouble you with these doubts.

"The speech, however, which you delivered last night makes it necessary for me finally and definitely to decide whether I am so far in agreement with yourself on the question of Fiscal policy as to make it possible for me, with satisfaction to myself or advantage to the country, to remain a member of your Government. I must, especially as the representative of the Government in one of the Houses of Parliament, in forming this decision, have regard not only to the definite statement of policy contained in your speech, but also to its general tone and tendency. As to the former it was possible to arrive at a clear understanding by previous discussion, but as to the latter no judgment could be formed until the declaration had been actually made.

"I was prepared by our discussions for your statement that you desired to obtain the sanction of the constituencies for a reversal of the doctrine that taxation should never be imposed except for purposes of revenue, and this is no doubt the principal and most definite statement in your speech. But you may remember that I told you that I thought it would be very difficult to make this statement the foundation of a great announcement of policy, inasmuch as I was not aware of any Law or

Constitutional principle in which this doctrine was embodied. I admit that you have succeeded in making this declaration the basis of a great political announcement, but in my opinion that announcement has been extended very far beyond the necessities of the case. It was unnecessary, in my opinion, for the purpose of the statement to which I had assented, to assert that the controversy of 1846, which you describe as the great lawsuit between Free Trade and Protection, is of no interest whatever to us except from an historical point of view. Nor can I think that it was necessary to assert that you desired to 'reverse the Fiscal tradition, to alter fundamentally the Fiscal tradition which has prevailed during the last two generations.' I had hoped to have found in your speech a definite statement of adherence to the principles of Free Trade as the ordinary basis of our Fiscal and commercial system, and an equally definite repudiation of the principle of Protection in the interest of our national industries. But in their absence I cannot help thinking that such declarations as those which I have quoted cannot fail to have the effect of materially encouraging the advocates of direct Protection in the controversy which has been raised throughout the country, and of discouraging those who, like me, and, I had hoped, yourself, believe that our present system of free imports, and especially of food imports, is, on the whole, the most advantageous to the country, although we do not contend that the principles on which it rests possess any such authority or sanctity as to forbid any departure from it for sufficient cause.

"I have only ventured to make these criticisms as illustrations of the different points of view from which we regard the whole question, and I am very far from wishing to enter into any personal controversy with you. You have, in your second speech, said that this subject could no longer be left an open question among members of the Government, and I think I have said enough to prove to you that there is no such agreement between us on the general question as to make it possible for me to be a satisfactory exponent of your views, or those of the Government, in the debates which must inevitably take place in the next Session of Parliament.

"I cannot adequately express the deep regret which I feel in separating myself from a Government with which I believe myself to be in sympathy on all other matters of public policy, or the anxiety with which I anticipate the wide division which I fear must result from the unexpected scope and strength of your declarations of yesterday in the ranks of the Unionist Party. But, holding the opinions which I have endeavoured to express, no other course is open to me but to ask you to place my resignation in the hands of His Majesty.

"I remain, yours sincerely,

"DEVONSHIRE."

The Prime Minister's reply was couched in somewhat remarkable terms:—

“WHITTINGEHAME, PRESTONKIRK, N.B.

“ *October 3rd, 1903.*

“ MY DEAR DUKE,—

“ I received this afternoon two telegrams forwarded in quick succession by my private secretary in London—the first from you asking how soon your resignation might be announced, the second giving a full summary of the reasons which moved you to resign. I am not sure which of these unexpected communications surprised me most—on the whole, perhaps, the second.

“ The first, however, was sufficiently strange. Remember the circumstances. It was on Wednesday, September 16th, that you informed me of your resolve to remain in the Government. This decision was preceded by much confidential correspondence, much intimate conversation. There was no phase of policy which I was not prepared to discuss, which I did not, in fact, discuss, with perfect frankness. Men and measures were alike surveyed from every point of view which had a bearing on the present course, or future fortunes, of the party. A decision arrived at after these preliminaries I had a right to consider final, and final I certainly considered it. Accordingly, I consulted you, as far as circumstances of time and place permitted, on the best mode of filling up the vacancies in the Government, of which you were the most distinguished member. You were good enough to express some weighty judgments on the delicate matters submitted to you. You even initiated proposals of your own, which I gladly accepted. Our last communication on these subjects was in a letter I dictated during my journey to Sheffield on Thursday afternoon. In less than forty-eight hours I received in Edinburgh the telegrams which first announced both your intention to resign and your desire to see the process of resignation consummated without delay or discussion.

“ The principal occasion of this singular transformation was, you tell me, my Sheffield speech. This is strange indeed. In intention, at least, there was no doctrine contained in that speech which was not equally contained in my notes on Insular Free Trade and my published letter to Chamberlain. The first of these documents you had in your possession—before the generality of the Cabinet—at the end of July. The second you saw in manuscript before it appeared in the newspapers. With both, therefore, you were intimately acquainted during the whole fortnight in which you lent your countenance to the Government after the recent resignations. I must suppose, therefore, that it is some unintentional discrepancy between the written and the spoken word that now drives

you to desert the Administration you have so long adorned. Such unintentional discrepancies are, no doubt, hard to avoid. Not everyone, certainly not I, can always be sure of finding on the spur of the moment, before an eager audience of 5000 people, the precise phrase which shall so dexterously express the exact opinion of the speaker on a difficult and abstract subject as to foil the opponents who would wrest it either to the right hand or the left. But till one o'clock this afternoon I had, I confess, counted you not as an opponent but as a colleague—a colleague in spirit as well as in name. To such an one it would have seemed natural—so at least I should have thought—to take, in cases of apparent discrepancy, the written rather than the spoken word as expressing the true meaning of the author; or, if this be asking too much, at least to make inquiries before arriving at a final and hostile conclusion. But after all, what and where is this discrepancy which has forced you in so unexpected a fashion to reverse a considered policy? I do not believe it exists, and if any other man in the world but yourself had expended so much inquisitorial subtlety in detecting imaginary heresies I should have surmised that he was more anxious to pick a quarrel than particular as to the sufficiency of its occasion. To you, fortunately, no such suspicion can attach; yet am I unreasonable in thinking that your resignation gives me some just occasion of complaint, and perhaps some occasion of special regret to yourself?

“Am I, for example, not right in complaining of your procedure in reference to the Sheffield speech? You fear that it will aggravate Party division. If there is anything certain it is that the declaration of policy then made produced, and is destined still to produce, a greater harmony of opinion than has prevailed in the Party since the Fiscal question came to the front six months ago. Had you resigned on the 15th, or had you not resigned at all, this healing effect would have suffered no interruption. To resign now, and to resign on the speech, is to take the course most calculated to make yet harder the hard task of the peace-maker. Again, do you not feel some special regret at having, at this particular juncture, to sever your connection with a Unionist Administration? Doubtless, there is no imaginable occasion on which you could have left one without inflicting on it serious loss. At the moment of its most buoyant prosperity your absence from its councils would have been sensibly felt. But you have, in fact, left it when, in the opinion of our opponents, its fortunes are at their lowest and its perplexities at their greatest. It may be, however, that you are spared this aggravation of the inevitable pain of separation by holding, as I hold, that our opponents are in this mistaken. I firmly believe they are. I see no difficulty in successfully carrying out the policy which for a fortnight you were ready to accept, by the help of the Administration which for a fortnight you aided me to construct. On this point I feel no disquiet. I cannot pretend to view with a like equanimity the loss of a colleague whose

services to the Unionist Party no changes and chances of political fortune can tempt any Unionist to forget.

"Yours very sincerely,

"ARTHUR JAMES BALFOUR."

It will be observed that the Prime Minister made no attempt to disguise his annoyance and surprise at the step which the Duke had taken. The policy defined at Sheffield was substantially that on which the Cabinet had informally decided on September 14, and to which the Duke had by implication assented, when on the 16th he expressed his willingness to retain the office of Lord President of the Council. The difference of which he now complained was a difference of tone and tendency—a difference which, as Mr. Balfour suggested, might easily be explained on other grounds than a change of opinion. But the truth was, it may reasonably be inferred, that the Duke was less moved by Mr. Balfour's language than by the circumstances under which it was used, and by the course of recent events. If one eye was turned on Mr. Balfour, the other was directed towards Mr. Chamberlain. Although the ex-Colonial Secretary had made no public speech since the Prorogation of Parliament, he had been writing, for publication, a number of letters in which his denunciation of the "Free Imports" system had, by implication at least, gone far beyond the policy of mere Retaliation. Though he formally, and prudently, declined to be bound by all the statements and promises made by the Tariff Reformers who were flooding the country with pamphlets and leaflets, he took no active step towards dissociating himself from the most extreme views. The agitation, as conducted by many of his supporters, was frankly Protectionist, and Mr. Chamberlain himself was taking more pains to point out the justifications for a thorough policy than to insist on the limitations which he had previously suggested, though it is fair to add that he had never bound himself to them.

There was no reason to suppose that he intended to stop at the furthest point which he had yet announced, and he was being openly welcomed as a leader and champion both by such commercial Protectionists as Sir Howard Vincent, and by the old-fashioned Tories, like Mr. Chaplin and Mr. James Lowther, who had never ceased to regret the repeal of the old Corn Laws, or to work, so far as was possible, for the restoration of them.

What, then, was the exact position of the Statesman whose influence over Mr. Balfour the Duke of Devonshire regarded with so much concern and distrust? At the beginning of October an official pamphlet was issued (Grant Richards) by the Imperial Tariff Committee. For the facts and figures which it stated, and for the manner in which they were treated, the sole responsibility rested with Mr. C. A. Vince. But a long Preface, dated September 24, was contributed by Mr. Chamberlain, and this may be taken to represent his attitude at that time. It is interesting because it marks a turning-point in his view of Cobden's teachings. He pointed out once again that the changes which had taken place in the commercial policy of foreign nations, and in the relations between the Mother Country and her Colonies, justified "the demand for an inquiry." He expressed his belief that every impartial man would be convinced of the need for some reconstruction of our Fiscal system. Outside the United Kingdom the "gospel of Cobden" had been universally rejected, and countries which "ought, according to its dogmas, to be in the last stage of depression and decline, had been remarkably prosperous during the last twenty years, while the working classes there had made a greater proportionate advance than in the United Kingdom. He protested, therefore, against those "fanatical" Free Importers who "maintained, in a spirit of blind obscurantism, the absolute inspiration of an antiquated doctrine." "Free Imports without Free Trade" had brought us face to face with problems that Cobden had never considered.

Besides, Cobden was never touched by the idea of a United Empire, and regarded the Colonies as an encumbrance to be got rid of as soon as possible. No wonder that the "Little Englanders" were ready in this respect to follow his lead!

It may be remarked that this summary of Cobden's teachings is by no means borne out by a study of his writings as a whole, though isolated passages may be quoted which would account for the misunderstanding. Probably, it is a long time since Mr. Chamberlain read the text. But even in repudiating the theories, and jeering at the false prophecies associated with Cobden's name, Mr. Chamberlain was not unwilling to invoke his authority—by crediting him with a posthumous and contingent change of opinion. What, he asked, would Cobden have said if he had foreseen that the Trade Unions, whose existence he deprecated and whose influence he denounced, would succeed in protecting Labour in "a score of ways tending to increase the rate of wages and the cost of living?" As a representative of the manufacturing class, would he still have maintained that they should submit to being under-sold in their own markets by rivals who were free from the restrictions imposed in this country. "Cobden's scheme was at least a consistent one. It was Free Labour as well as Free Imports; but Free Imports combined with Protected Labour is neither consistent nor profitable to any of the parties concerned." Here it was agreed that Mr. Chamberlain had made a neat point, but it was also remarked that his desire to "edit Cobdenism up to date" had led him into contradicting himself. On one page of this Preface he had declared that the working classes in foreign countries had become proportionately more prosperous than those in Great Britain: on the next, he was contrasting the favourable conditions of British Labour with those which obtained in other countries. Mr. Chamberlain, it was said, must stand by the one view or the other: he could not "have it both ways."

For the Little Englanders (he went on) he cared nothing, but what answer would the Imperialist Free Traders give when the Colonies asked us to treat them a little better than foreigners, and when they promised reciprocal advantages in return? The importance of our trade with them was likely to "expand in ever-increasing proportion," and this would constantly increase the value of any concessions now made to us. But if we rejected their proposals we were in great danger of losing our present trade with them, as well as the prospects of future extension. It was entirely owing to the growth of our Colonial trade that the actual and heavy decline in our exports to foreign countries had been concealed in our general returns. Refuse to meet the Colonies in their present advance, and we should find this trade rapidly passing away under the influence of higher Protective Duties, and of Reciprocity agreements with foreign countries which do not share our scruples.

The Preface concluded with a brief argument in favour of arming the Imperial Government with powers of Retaliation in dealing with foreign countries, and with a scornful allusion to the Most-favoured-nation Clause as "a crumb falling from the rich man's table."

"Lastly, our Free Food friends will have to be a little more definite and a little more accurate. They will have, for instance, to explain why a transfer of taxation, say, from tea to bread, would be disastrous, even though it benefited our industries and restored them to something like the relative position which they enjoyed twenty years ago.

"They will have to decide once for all whether foreign bounties are a blessing or a curse, and whether 'dumping' is a philanthropic operation by which foreigners are endeavouring to secure the welfare of this country, or an insidious attempt to ruin our industries and obtain our markets for themselves."

This racy attack on the orthodox Political Economy

would have been sufficiently disquieting to hesitating Free Traders if it had not been the Introduction to a series of pamphlets which meant nothing if they did not mean complete and thorough-going Protectionism. There was no pretence made of keeping within the limits of Retaliation against Fiscal aggression. Not unnaturally, therefore, the country looked with expectant curiosity for Mr. Chamberlain's promised explanation of his position. His first speech in the promised Autumn campaign was delivered at Glasgow on October 6th. Having dispelled the ungenerous insinuation that he was seeking to supplant Mr. Balfour, and having reaffirmed his loyalty to the Unionist Party, he declared himself to be a "pioneer." He went in front of the Army, but if it were attacked he should return to it.

His objects were twofold: to maintain the prosperity of the United Kingdom and to strengthen the Empire. Our national existence depended on our manufacturing capacity and production, but Mr. Chamberlain saw signs of decay in British trade. For thirty years it had been practically stagnant, while the "Protected" countries had been advancing at a much greater proportional rate. Moreover, the character of British trade had changed. While the exports to foreign countries had fallen off by £46,000,000 those to the Colonies had increased by £40,000,000, and during the same period of thirty years the imports from foreign countries had risen from £63,000,000 to £149,000,000. The inference which Mr. Chamberlain suggested was that the development of our Imperial trade was essential to our prosperity. But it would decline unless it were supported by Preferential Tariffs. The Colonies were prepared to meet us. Not only would they enable us to retain our existing trade with them, but would give us a Preference on all the trade which they were doing with foreign countries. This amounted to about £47,000,000, and, although some of this was in commodities which Great Britain could not supply, there

was about £26,000,000 that might come to us. According to the Board of Trade reckoning, which certainly was not above the mark, this would mean £13,000,000 a year to be spent on new employment within the United Kingdom, wages for 166,000 men at 30 shillings a week, and subsistence for 830,000 persons.

What, then, were the articles on which Mr. Chamberlain proposed to give a Preference to the Colonial as against the foreign importer? Raw materials for manufactures being ruled out,¹ the food of the people must be taxed, but (in view of Mr. Chamberlain's second declaration on the subject) the imposts must be so arranged as not to increase the general cost of living for the working classes. This is how he hoped to carry out the idea:—

“You have heard it said that I propose to put a Duty of five shillings or ten shillings a quarter on wheat. I propose to put a low Duty on foreign corn, no Duty at all on the corn coming from our British possessions. But I propose to put a low Duty on foreign corn, not exceeding two shillings a quarter. I propose to put no tax whatever on maize, partly because maize is a food of some of the very poorest of the people, and partly also because it is a raw material for the farmers, who feed their pigs on it. I propose that the corresponding tax which will have to be put on flour should give a substantial preference to the miller. I do that in order to re-establish one of our most ancient industries in this country, believing that if that is done, not only will more work be found in agricultural districts with some resulting tendency, perhaps, against the constant migration from the country into the towns, and also because, by re-establishing the milling industry in this country, the offals, as they are called—the refuse of the wheat—will

¹ It is by no means certain that Mr. Chamberlain still intends to observe this restriction. He would agree to a Duty on the raw material if it were accompanied by a Rebate on the manufactured article, and has already expressed his willingness to consider such a scheme in regard to foreign leather and shoes for exportation. This, of course, marks a great advance towards pure Protectionism.

remain in the country and will give to the farmers or the agricultural population a food for their stock and their pigs at very much lower rates.

“That will benefit not merely the great farmer, but it will benefit the little man, the small owner of a plot, or even the allotment owner who keeps a single pig. I am told by a high agricultural authority that if this were done so great an effect would be produced on the price of the food of the animal that where an agricultural labourer keeps one pig now, he might keep two in the future. I propose to put a small tax of about 5 per cent on foreign meat and dairy produce. I propose to exclude bacon, because, once more, bacon is a popular food with some of the poorest of the population. It forms the staple food for many of the poorest of the population. And, lastly, I propose to give a substantial Preference to our Colonies on Colonial wines, and perhaps on Colonial fruits. Well, those are the taxes, the new taxes or alterations of taxation, which I propose as additions to your present burden, but I propose also some great remissions. I propose to take off three-fourths of the Duty on tea, and half of the whole Duty on sugar, with a corresponding reduction on cocoa and coffee.

“Now, what will be the result of these changes, in the first place on the cost of living, in the second place on the Treasury? As regards the cost of living, I have accepted, for the purpose of argument, the figures of the Board of Trade as to the consumption of an ordinary workman's family both in the country districts and in the town, and I find that if he pays the whole of the new Duties that I propose to impose it would cost an agricultural labourer 16½ farthings per week more than at present, and the artisan in the town 19½ farthings per week more. In other words, it would be about 4*d.* per week of an increase on the expenditure of the agricultural labourer and 5*d.* per week on the expenditure of the artisan. But then there are the reductions which I propose. Again I take the

UNIONIST FREE TRADERS

Lord George Francis Hamilton, third son of the first Duke of Abercorn, was born in 1845, and has been member for the Ealing division of Middlesex since 1885. He was Secretary for India during 1895-1903. Alexander Hugh Bruce, sixth Baron Balfour of Burleigh, was born in 1849. He held the office of Secretary for Scotland from 1895 to 1903. Sir John Eldon Gorst, born in 1835, has been M.P. for Cambridge University since 1892. He was Vice-President of the Committee of Council on Education (that is, minister for education) from 1895 to 1902. Henry James, first Baron James of Hereford, born in 1828, was raised to the peerage in 1895. He was Chancellor of the Duchy of Lancaster in 1895-1902.

UNIONIST FREE TRADERS



Elliott & Fry

LORD BALFOUR OF BURLEIGH



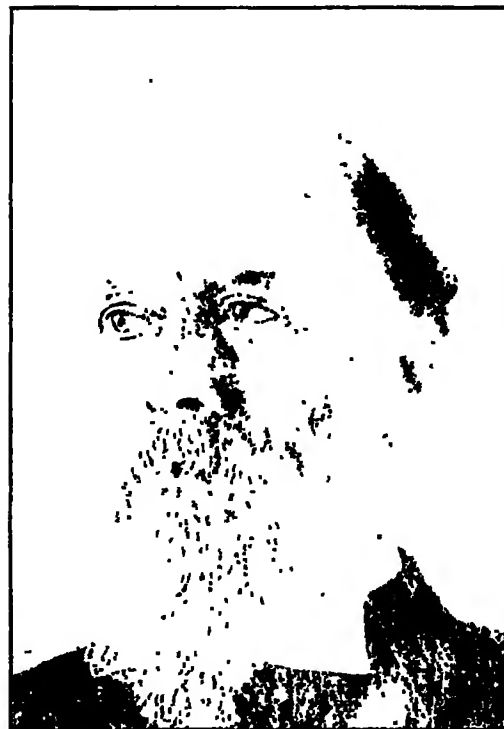
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LORD JAMES OF HEREFORD



Elliott & Fry

LORD GEORGE HAMILTON



Elliott & Fry

RT. HON. SIR JOHN E. GORST

consumption as it is declared by the Board of Trade. The reductions would be in the case of the agricultural labourer 17 farthings per week, in the case of the artisan 19½ farthings per week. You will see, if you follow me, that, on the assumption that you pay the whole of the new taxes yourselves, the agricultural labourer would be half a farthing per week to the better, and the artisan would be exactly the same.

“I have made this assumption, but I do not believe in it—I do not believe that these small taxes on food would be paid to any large extent by the consumers in this country. I believe, on the contrary, they would be paid by the foreigner. That doctrine can be supported by authoritative evidence. In the first place, look at the economists. I am not speaking of the “fourteen Professors.” But take John Stuart Mill, take the late Professor Sidgwick, and I could quote others now living. They all agree that of any tax upon imports, especially if the tax be moderate, a portion at any rate is paid by the foreigner, and that is confirmed by experience. I have gone carefully during the last few weeks into the statistical tables, not only of the United Kingdom, but of other countries, and I find that neither in Germany, nor in France, nor in Italy, nor in Sweden, nor in the United Kingdom, where there has been the imposition of a new Duty or an increase of an old Duty, has the whole cost over a fair average of years ever fallen on the consumer. It has always partly been paid by the foreigner.

“How much is paid by the foreigner? That, of course, must be a matter of speculation. And there, again, I have gone to one of the highest authorities of this country, one of the highest of the official experts whom the Government consults, and I have asked him for his opinion, and in his opinion the incidence of a tax depends on the proportion between the free production and the tax production. In this case the free production is the home production and the production of the Colonies. The tax production is

the production of the foreigner, and this gentleman is of opinion that if, for instance, the foreigner supplies, as he does in the case of meat, two-ninths of the production the consumer only pays two-ninths of the tax. If he supplies, as he does in the case of corn, something like three-fourths of the consumption, then the consumer pays three-fourths of the tax. If, as in dairy produce, he supplies half of the production, then the consumer pays half of the tax. This is a theory like any other that will be contested, but I believe it to be accurate, and at all events, as a matter of curiosity, I have worked out this question of the cost of living on that assumption, and I find that, if you take the proposition, that the cost of the new duties would be $9\frac{1}{2}$ farthings to the agricultural labourer and 10 farthings to the artisan, while the reduction would still be 17 farthings to the labourer and $19\frac{1}{2}$ farthings to the artisan.

“You see my point. If I give my opponents the utmost advantage, if I say to them what I do not believe, if I will grant that the whole of the tax is paid by the consumer, even in that case my proposal would give as large a remission on the necessary articles of life as it imposes, and the budget at the end of the week, or the result at the end of the year, will be practically the same even if he pays the whole Duty. And if the consumer does not pay the whole Duty then he will have the advantages to which I have already referred. In the case of the agricultural labourer he will gain 2*d.* a week, and in the case of the town artisan he will gain $2\frac{1}{2}$ *d.* a week. Now I am afraid—I hope I am not wearying you—I feel how difficult it is to make either interesting or intelligible to a great audience like this the complicated subject with which I have to deal. But this is my opening declaration, and I feel that I ought to leave nothing untold—at all events ought to lay the whole of the outlines of my scheme before the country.

“Now the next point, the last point, I have to bring before you is that this advantage to the consumer will

involve a loss to the Exchequer. You will see why. The Exchequer, when it reduces the Duty on tea or sugar, loses the amount of the tax on the whole of the consumption, but when it imposes a tax on corn or on meat it only gains the Duty on a part of the consumption, since it does not collect it either on the Colonial or on the home production. I have had that worked out for me also by an expert, and I find, even making allowance for growth in the Colonial and the home production, which would be likely to be the result of this stimulus which we give to them—if you make allowances for these articles which I do not propose to tax, the loss of the Exchequer will be £2,800,000 per annum. How is it to be made up? I propose to find it, and to find more, in the other branch of this policy of Fiscal reform, in that part of it which is sometimes called Retaliation and sometimes Reciprocity."

The "scientific" scheme of taxation thus expounded was also to embrace "a moderate Duty on all manufactured goods, not exceeding 10 per cent on the average, but varying according to the amount of labour expended on them. This would give the Chancellor of the Exchequer at least £9,000,000 a year. This would partly be used to extinguish the deficit of £2,800,000 caused by the Preference system and partly to reduce taxation on food and articles of popular consumption."

The speech delivered at Greenock next day dealt chiefly with Reciprocity. Yet he declared that the Preference question¹ was the more urgent.

"These kinsmen of yours—there is no doubt in what spirit they have made their offer to you. It is in a spirit of brotherhood, and in a spirit of unselfish desire to promote the interests of the Empire of which they, as well as we, form an integral part. But you cannot expect them to

¹ The "offer" to which Mr. Chamberlain has made frequent reference is assumed to be contained in the Proceedings of the Colonial Conference in 1902. What the Colonies had done at this time was that Canada had given us a Preference of 33½ per cent; South Africa, one of 25; New Zealand, of 10; and the Australian Premier had promised to bring a similar proposal before the Commonwealth Parliament.

wait for ever on your pleasure. If you think that your interests lie in another direction, they tell you to follow your interests. They think that something can be done which may involve concession on both sides, but which in the long run will be good for both. But if you in your wisdom come to the conclusion that what is asked from you is more than they can give in return they make no complaint. They accept your decision. But they will not repeat the offer. And then they will, perhaps, seek for the reciprocal advantages which they offer to you from other countries, which are not possessed of our prejudices and superstitions, and which will be ready at once to jump at any offer of the kind which is now made to us."

Once again, Mr. Chamberlain professed himself a Free Trader—though not a Free Trader at any price. But he could not shut his eyes to the fact that Protectionist countries had prospered more than we had:—

"While," he said, "our exports to them have been continually decreasing, their exports to us have been continually increasing. How do Free Traders explain that? According to their view, these foolish Americans, these ridiculous Germans, these uneducated Frenchmen, have all been ruining themselves all this time. They may have kept their home market. That is all very well. But they would have lost their foreign market. How could people whose cost of living has been raised, how could people who have the little loaf and not the big loaf, how could these people, who are hampered by tariffs and Protection, while they keep their own trade, as I have said—how could they do a foreign trade? Well, it may be very extraordinary, but they have done it. And their trade has increased in a very much larger proportion than our trade—a Free Trade country, which has the big loaf, which has all this freedom, and none of these disadvantages.

"Now, I say that is a state of things which demands consideration. We are losing both ways. We are losing our foreign markets, because whenever we begin to

do a trade the door is slammed in our face with a whacking tariff. We go to another trade. We get it in for a few months or a few years, and at once a tariff is imposed upon it, and that is shut out. And one industry after another suffers in a similar way, although not all together; and we lose our foreign trade. And, as if that was not enough, these same foreigners, who shut us out, invade our markets, take the work out of the hands of our working-people, and leave us doubly injured."

The "dumping" argument was developed at some length by reference to the American Steel Trust, which was producing 20,000,000 tons a year. Trade was falling off in the United States, said a Director of the concern, but this would not matter. The output would not be reduced, but the surplus product would be planted on foreign markets. Not, however, in Germany, France, or Russia. There it would be met by a hostile Tariff. It would be put on the only free market, the English. Within three or four years several million tons would be dumped in this country. Iron-works here would be closed, and English workmen would be thrown out of work in order to keep Americans in employment.

In reply to the charge that it had been unfair to compare our present foreign trade with the year 1872, which had for special reasons been exceptional, Mr. Chamberlain offered to take 1882 instead. On that basis, the total imports had increased against £64,000,000 and the exports only £12,000,000. On the balance, then, we had lost £52,000,000. Now, £52,000,000 a year meant employment for 333,000 working-men at 30s. a week and subsistence for 1,500,000 persons. This employment and subsistence were being enjoyed by foreigners. But this did not matter, it was said, because the British working-men who had been displaced from one industry had gone into something else! To refute that argument he appealed to the experience of his Greenock audience. The town had once been a great centre of the sugar trade. But

foreign Bounties and unfair competition had destroyed the refineries. The capital invested had been lost, and the workmen—what had become of them?

Here Mr. Chamberlain had reached what all but extreme Cobdenites admit to be an effective point in the Protectionist case, and he made the most of it:—

“In the House of Commons, in a Debate the other night, when the Resolution was finally passed approving of the Act which abolishes these Bounties, there were men to be found, not on one side of the House alone, who defended them, to my mind, with extraordinary result. One speaker in particular ventured to tell the British House of Commons that in his opinion our primary industries were perhaps doomed, and that we should find compensation in secondary and subsidiary industries. We are to depart from our high position. We are to lose the great industries for which this country has been celebrated, which have made it prosperous in the past. We are to deal with inferior and subsidiary industries. Sugar has gone. Let us not weep for it, jam and pickles remain! Now, of all these workmen, these intelligent artisans, who were engaged tending and making the machinery for sugar refining in this country, I would like to know how many have found a resting-place, have found equivalent wages and comfort, in stirring up jam-pots and bottling pickles.

“This doctrine, this favourite doctrine, of the ‘transfer of labour’ is a doctrine of pedants who know nothing of business, nothing of labour. It is not true. When an industry is destroyed by any cause, by competition as well as by anything else, the men who are engaged in that industry suffer, whatever happens in the future. Their children may be brought up to new trades, but those who are in the middle of life or past middle life will feel the truth of the proverb that you can’t teach old dogs new tricks. You cannot teach the men who have attained to skill and efficiency in one trade, you cannot teach them on a moment’s notice, skill and efficiency in another.”

Every candid Free Trader will admit that the system he defends may involve great occasional hardship for individuals, and, if he is to defend it successfully, sets himself to show that the suffering is infrequent and temporary, or that the general advantage is far greater than the loss to particular persons and classes of persons. Failing that, he may argue that similar hardships are suffered, though from different causes, under the Protectionist system, as, *e.g.*, through the dislocation of local industries, that is often caused by great Trusts and Combines—which cannot long maintain themselves in a country where Free Imports are permitted. This is a rejoinder which has often been made to Mr. Chamberlain's very effective indictment of the "Transfer of Labour" theory, but he does not appear to have dealt with it in any of his public speeches.

Free imports, he continued, have destroyed sugar refining. They have destroyed agriculture. "Sugar is gone. Silk is gone. Iron is threatened. Cotton will go." How long, he asked, are you going to stand it? It was said that foreign countries would be angry if we demanded fair treatment from them, and if we established reciprocity with our Colonial kinsmen. It was a craven argument, and an absurd one. We had nothing to fear from the foreigner. We are the best customers of foreign countries. There were many suitors for our markets. We might reject some offers, but we should get others.

"Why, at the present time we take from Germany about twice as much as she takes from us. We take from France about three times as much. From the United States of America we take about six times as much as they take from us. Who is it that stands to lose if there is to be a war of tariffs? And there is something else. We have what none of these countries have. We have something, the importance of which I am trying to impress upon my countrymen, which at present they have not sufficiently appreciated. We have a great reserve in the sons of

Britain across the seas. There is nothing we want that they cannot supply. There is nothing we sell that they cannot buy. One great cause for the prosperity of the United States of America is admitted by everyone to be the fact that there is a great empire of seventy millions of people, that the trade of these people alone, without any assistance from the rest of the world, would insure a large amount of prosperity. Yes, but the British Empire is even greater than the United States of America. We have a population—it is true, not all a white population—we have a white population of over sixty millions against seventy millions—who are not all white by-the-bye—of America. We have in addition three hundred and fifty or more millions in the States under our Protectorate, under our civilisation, sympathising with our rule, grateful for the benefits that we accord to them—all of them more or less prospective or actual customers of this country."

The Colonies had been neglected in the past, and we had severely taxed their patience. Yet we might still unite them to us by a closer bond than ever. We could make the Empire self-supporting. If it were isolated from the rest of the world it would be a "splendid isolation." But it was not enough to "shout for Empire." The Colonies and the Mother Country must make common sacrifices for the common good.

While Mr. Chamberlain was making speeches and directing the operations of the Tariff Reform League from its head-quarters at Birmingham, Mr. Balfour was concerned with the anxious work of reconstructing his Ministry. The office of Colonial Secretary was offered to several eminent politicians, by whom, for various reasons, it was declined. The attempt to enlist the services of Lord Milner failed because the High Commissioner was unwilling to abandon his uncompleted work in South Africa, and, finally, the post was accepted by Mr. Alfred Lyttelton, who had never before held political office, though he had done excellent work, of a semi-

judicial and semi-administrative character, in the new Colonies. The Duke of Devonshire was succeeded as Lord President of the Council by Lord Londonderry, who, like several other colleagues who have remained with Mr. Balfour, is known to entertain a strong objection to the more advanced part of Mr. Chamberlain's programme. But the Free Trade element thus retained in the Cabinet was at least counterbalanced by promoting Mr. Austen Chamberlain from the Post Office to the Exchequer. He has never attempted to disguise his complete sympathy with his father's new policy, nor has he considered that the Sheffield declaration debars him from advocating proposals which the Prime Minister had eliminated from the official programme of the Party. The reconstructed Cabinet, therefore, contains men of widely divergent opinions, who, however, are presumed to have reached agreement as to the furthest point to which advance is at present either legitimate or politic.

After about a fortnight's rest Mr. Chamberlain resumed the work of agitation in the North of England. His speech at Newcastle on October 20th was marked more by increased confidence than by development of opinion. He devoted himself chiefly to showing that his Preferential scheme would not increase the cost of living to the working classes. He was only asking the people to pay out of one pocket the money which they had previously paid out of the other. If he wanted a halfpenny on bread he would give it back on tea. The Duty on tea benefited nobody, while the Duty on corn would benefit the Colonists.

To the argument that this country had prospered under Free Trade he replied that other countries had prospered more greatly under Protection. The question was whether Free Imports had assisted or impeded the prosperity of the United Kingdom.

"I am not here because of the gout, and we are not prosperous because of Free Trade. If you want to know why we are prosperous, is there not cause enough in the

fact that after the Corn Laws were repealed, and Free Trade began to be adopted in this country, the greatest of all commercial and industrial changes took place throughout the world, that railways began to be established, that communications were made everywhere, that gold was discovered, and the circulating medium was suddenly poured into the world in quantities never heard of before? Could we fail, remembering that we began—after a period of Protection—as the greatest industrial country in the world, with an immense advantage, a large start ahead—could it have been possible that under these circumstances we should not have profited by all these changes. The reason why other countries, which also profited, did not profit so fast as we did was because, owing to other circumstances which it would take me too long to discuss, these other countries were subject to various drawbacks. They were not so forward as we were, they had not the same start, and it took them thirty years to come up to us. But now they have come up to us. Now is the time. Really if a man cannot see the difference between the state of things to-day and the state of things thirty years ago, or sixty years ago, well, it seems to me he ought not to call himself a Liberal or Radical. He ought to call himself a troglodyte and live in a cave.”

Waiving the comparison of single years, he proposed to take quinquennial periods, and argued that the total trade of 1890–1895 was £7,000,000 less than that of 1870–1875. Again, in the last thirty years, the total imports of manufactures had risen by £86,000,000 and the total exports decreased by £61,000,000—we were, then, £92,000,000 to the bad. And half that sum represented a loss in yearly wages.

Lord Goschen's argument that a tax was paid by the consumer did not affect Mr. Chamberlain's position, because, though he did not accept that view, he had made it the basis of his calculations. But was it correct? He could destroy the theory by reducing it to an absurdity:—

“When the M‘Kinley tariff was put on, the woollen manufacturers of Bradford and Leeds, ah! and of many other parts of the country who are connected with the trades which were so heavily taxed by the tariff, declared that the tariff had injured their trade, in some cases about destroyed it. Well, if Lord Goschen is correct, if the consumer in America pays the whole tax, it would not injure these people at all. What does it matter? Here is an article which costs 7s.; you put on it a tax of 7s., therefore, according to Lord Goschen, it is sold for 14s. Yes, but the British manufacturer who sold before for 7s. can still sell at 7s., and the Duty on it will only bring it up to the price at which the country sells, and that is the 14s. Therefore, you come to this absurd doctrine, that no matter what taxes you put on foreign goods, you do not injure the foreigner in the slightest degree, and he can do his trade just the same whatever your Duty is. I ask Newcastle, I ask Glasgow, I ask Leeds, I ask Spitalfields, I ask every manufacturing place throughout the country whether they have found this to be true in their experience; whether, when they have had a trade with the foreigner, and he has put on a Duty, he has only hurt himself, and I ask whether they have been able to sell as much after the Duty as before. In some cases the trade has been injured, and in some cases the trade has been absolutely destroyed, and that can only be because, after they have paid everything in the way of profit, in the way of reduction of wages that they can pay, still they have been beaten by the higher duty charged on them by these foreign countries.”

What our working classes had to fear was not a Duty on corn, but a shortage of supply. Therefore it was their interest to encourage the agricultural industry in the Colonies. The taxes that Mr. Chamberlain proposed, so far from increasing the household expenses, would diminish them by 2*d.* or 3*d.* a week. He had declared that the Empire could only be held together by commer-

cial union—at present, by Preferential tariffs. Lord Rosebery had called this an “amazing assertion.” Yet in 1888 he had himself contemplated commercial union as ultimately indispensable, and as an advantage which was worth purchasing at some sacrifice. Finally, Mr. Chamberlain repudiated Lord Goschen’s suggestion that commercial bargaining with the Colonies might lead to quarrelling.

“As I have said, I have not threatened the immediate disruption of the Empire, but I do not believe we can keep the Empire together, except on lines which have been understood and adopted and worked on by other countries with success. I do not believe that the United States would have been the great Empire it is but for common agreement between the several States which form it. I do not believe that Germany would have been a great and powerful Empire but for agreement between the several States that compose it, and I do not believe that we should be a powerful Empire—I do not believe that we shall be an Empire at all—unless we take similar steps. If we do, what advantage will be got over others in such an effort as we shall make? We have a State which differs indeed from theirs—differs, in the first place, because it is greater, because it is more populous; differs, in the second place, because it is more universal in its products of every kind; differs also in the fact that it is more homogeneous in regard to its white population; and differs, as I think, in the fact that its growth is all before it, and, whatever we may hope to derive by a race policy adopted to-day, we may fairly hope to derive many times more by this policy pursued for generations with some consistency. It is on that account, therefore, that I hold that the present is so important.”

At Tynemouth, the next day, Mr. Chamberlain began his speech by vindicating his action while he was a member of the Cabinet. It had been well understood by his colleagues that he intended to work for Preferential

Tariffs. (This, as we have seen, was undoubtedly true, but it is by no means certain that most of them were aware of his intention to start his Propaganda at the time which he selected.) However, he had released himself by leaving the Government, and he was "going to work"—an assurance which was not, perhaps, necessary. After referring to the previous opinions of Mr. Ritchie, Lord Randolph Churchill, and Lord Rosebery, he argued that the time had come for the present question to be raised. He reviewed the proceedings of the Ottawa Conference, and of the London Conferences of 1897 and 1902, and dwelt on the consequent Preferential policy pursued by Canada, Australia, New Zealand, and South Africa. What was required was a mandate to negotiate with the Colonies.

"They are the customers," he said, "that are increasing the most rapidly—eleven millions of whites, remember, taking from you £5 or £6 per head, while, I forget, but I think it is two hundred and seventy millions, but it is at any rate hundreds of millions of foreigners, who only take a few shillings per head. It is much better if we can increase the number of our customers at £5 than that we should bother ourselves too much about our customers at five or six shillings. I want, therefore, a mandate from you and all the people of this country to give me leave to negotiate with our own people, with our own kinsfolk.

"We do not ask you, the people of this country, to give anything for nothing, but we say that what you give will be met by what they give, and that the bargain is one that benefits both sides. I have known a great deal about business in my time, and I say I have never cared for a bargain in which I thought I had gained everything. I do not think that is a lasting bargain. There must be something unfair about it, and no bargain is a good bargain which is not a bargain mutually satisfactory. I say there is room, and I shall prove it, in our situation for a bargain between ourselves and our Colonies which will be mutually beneficial, which is likely to be permanently

satisfactory. I believe that our negotiations will be conducted in a spirit of generous appreciation, and not in a spirit of petty haggling on either side.

“For myself I deprecate any attempt to represent the interests of our Colonies as hostile to the interests of our own country. I would not say that something that was being done for Lancashire was therefore an injury to Yorkshire, or that something given to Warwickshire was therefore an injury to Worcestershire. What Yorkshire, Lancashire, Warwickshire, and Worcestershire are to this country India, Australia, South Africa, and Canada are to the Empire. What benefits them benefits us. If you benefit any one of us, you cannot help benefiting the whole. The whole depends on the parts. You cannot have one of the parts diseased without the whole suffering. It is impossible to conceive any kind of bargain that can be made which will be to the advantage of any, and which will not be ultimately to the advantage of all.

“One word more. All my policy is to be considered, as I have myself represented it, as a broad outline which will enable you to understand the kind of thing I have in my mind. It is not a cut-and-dried policy which cannot be altered in any detail. I am getting lots of letters which say: ‘You have said you would put an average tax of 10 per cent upon manufactures. I am in the thimble trade. What tax do you propose to put upon thimbles?’ My answer to all such inquiries as that is: ‘You must wait till the negotiation begins.’

“What is going to happen if I am successful, if I carry the people of this country with me, and, above all, if I carry the working classes—the majority of the voters? Well, what is going to happen is that the Government elected on this principle will immediately have a series of negotiations to undertake. It will have to negotiate with the Colonies. For my part I think it would not be bad if the then Secretary for the Colonies were to go to the

Colonies, and negotiate on the spot. I have no right to complain, at any rate, of my experience, for certainly the generosity of the South African Colonists was even more than I could have expected, and I never had, from first to last, the slightest difficulty in making a bargain with them. Not only have you to go to the Colonies, but you have also to go to the foreign countries that are concerned. They must negotiate each a Treaty of their own, and lastly—and this, perhaps, is more important than all—if I had anything to do with such a thing I would not consent to move a step without calling in experts from every industry in the country."

In the speech at Liverpool on October 27 Mr. Chamberlain gave his personal pledge that the adoption of his policy would not lead to a time of dear food. "I shall have time, before I leave Liverpool, to say a word or two more on that question of dear food, and to-night I will only say this, that I ask you to take my pledge, and to believe in my sincerity when I give it, that if you accept my proposals as they stand I pledge myself they will not add one farthing to the cost of living of any family in the country, and, in my opinion, in the case of the poorest families, they will somewhat reduce that cost. Now, that is the text. That is the subject on which I have been preaching in some of the great centres of population, and now, coming here at the invitation of a working-class association, I am going, as one principal part of my speech, to ask you to consider with me why the working-man, and especially why Trade Unionists, should support the proposals which I have put before them. I want to guard against it being supposed for a moment that now, or at any time, I am going to appeal to any class interest or to any one class as against any other. If I am right, every class in the country will be benefited by reforms which will give increased work and the enjoyment of increased employment to the poor, and I dare say increased profit to the capitalist."

Few of his adversaries have doubted his sincerity, but, as to the pledge, they naturally inquired what would be its practical value in case his promises were not fulfilled. He made a direct appeal to the working-classes, and once again invited them to disregard the opinion of the Trade Union leaders. In taking this course he was, probably, actuated by the knowledge that in no circumstances could he conciliate them. Therefore, he might as well defy them. He went so far as to declare that Trade Unionism was not consistent with Free Trade: it was essentially Protective, in the interests of the workman, and some of the Trade Union Congresses, he reminded his audience, had passed Socialistic Resolutions. In 1888, for instance, the Congress had spoken in its Annual Report of "the demon of cheapness."

"Free Trade says you are to buy in the cheapest market. Free Trade says you are not to interfere with the freedom of independent men, not to prescribe to an employer what he shall or shall not do, but leave him free to bargain as he likes with his workpeople, and, on the other hand, you are not to make combinations which tend in the slightest degree to destroy the liberty of the workman to sell as high as he pleases. Those are the doctrines of Free Trade, and all these doctrines we have put aside now for twenty years, in our endeavour to benefit the condition of the working-men and to raise the standard of living, and it is a little too much now to come down and tell me that I am a heretic, that I ought to be put out of the congregation, forsooth, because I will not allow to be sacred and inspired these doctrines that those who accuse me have abandoned long ago."

The shipping trade of Liverpool was, he admitted, progressing—but not at the proper rate, and not so fast as foreign shipping. The hindrance to British development lay in foreign Subsidies and Bounties, and also in the humane regulations imposed by our Parliament—largely at Mr. Chamberlain's instance. They increased the ex-

penses of British owners, and therefore handicapped them against foreign rivals.

“Now I say that, in this matter of shipping, something should be done. The Colonial Premiers on the last occasion, among other Resolutions besides the one asking us for Preference, passed a Resolution asking the British Government to consider the conditions under which the coasting trade as between ourselves and our Colonies is carried on. The Premier of New Zealand has already, I believe, proposed a law to his own Parliament, in which he recommends that the same treatment should be measured out to a foreign country that they measure out to the British Empire; that where they keep their coasting trade to themselves New Zealand and the Mother Country should keep their coasting trade to themselves. Well, these matters are not matters to be hastily settled. I am not asking you to accept them; I am only putting the case before you. I say there must be a remedy; there must be some way of bargaining with these gentlemen, to get rid of these unfair restrictions. It is for that power of bargaining, and, if necessary, of Retaliation, that Mr. Balfour has asked, and that I have asked, and after all, if there be any difference between us whatsoever, it is only that I go further: I ask, not in the future, but to-day, for the Preference for our colonies which will bind them and us together.”

At Birmingham on November 4 Mr. Chamberlain made a remarkable speech, since it emphasised a final and complete rupture with any remaining faith in Free Trade as understood by Cobden. If the speaker did not make any new proposals, he absolutely traversed the traditional view of the circumstances under which the Corn Laws were repealed:—

“Is it true that at the time when Free Trade was introduced and the Corn Laws were repealed, we were in a state of destitution and misery and starvation? Is it true that, under the Protection which prevailed before

that, this country was going down in the scale of nations, or losing its prosperity and losing its trade? No, absolutely No. The exact reverse was the case. In the years preceding the repealing of the Corn Laws, and I would take especially the years from 1830 to 1841, there was a time of great prosperity in this country under Protection. I do not mean to say that the country was as great or as rich as it is now, but comparatively with other nations it occupied a better position—comparatively with other nations it was absolutely in the first rank. It had won and conquered under Protection absolute supremacy—the commercial supremacy of the world. At that time trade was less than it is now, but so was the population. And though trade was less than it is now, it was increasing with a rapidity—a proportionate rapidity—which has seldom been exceeded since. But in 1841 we had in this country one of those crises which occur in every country from time to time, whether they be Protectionist or whether they be Free Trade. We had a time of bad trade, with small employment. It was not brought about by Protection, it was not brought about by the dear loaf, for in that period the loaf was much cheaper than it has been, many times in many years, since the abolition of the Corn Laws, but it was brought about by circumstances which you all will understand. We had become the workshop of the world. We had been very prosperous; we were increasing our production rapidly, and we outstripped the demands of the world. Foreign countries were in a poor condition then; prosperity had been hindered by many causes into which I will not enter now, and they were unable to take the surplus of our productions, and so many of our mills and factories had to go on short time or were closed altogether, as you have all known in your own experience. There was great want of employment—the one critical thing in all this discussion—there was great destitution, great misery, and consequently great discontent on the part of the majority of the population.

“This was a time, in 1841 and 1842, to which Sir William Harcourt referred in his speech on Saturday last. He went back to the memory of his childhood or youth, and said at that time he was in school at Preston, and he had been, I understood him to say, a witness to riots in which some of the people had been shot down by the military. He went on to say that nothing of the sort had ever happened since. That is a very small matter, but I think his memory deceived him, because I think in later times—I have not had time to check it, I believe he was Home Secretary—people were shot down in a Midland mining district, and a Special Commission was appointed by the Government to inquire into the circumstances. But after all, as I have said, that is really not relevant to the subject. The point is that the riots in 1841 and 1842, to which Sir William Harcourt referred, and which he apparently wished his audience to think were due to the Corn Laws—were due to Protection—were due to nothing of the kind. They were due to something absolutely different. They were instigated by the leaders of the Chartists in those days, and the Chartists in those days were absolutely opposed—the leaders—to the Anti-Corn Law agitation. They had the greatest contempt for the leaders of that agitation. They did not spare them; they said almost as bad things of them as my opponents say of me. No, sir; the Chartist leaders at that time told the working people, and I am not certain that they were not right, that what they wanted—that the one thing which would deal with the circumstances of their condition—was to give them efficient representation according to their numbers, and they begged of them not to be drawn aside by the movement of the Free Trade leaders, which they said was a red herring to divert them from what was much more important in their interest; and those riots, this discontent, were due to the action of the leaders of the Chartists, who urged the working men in this country to a universal

strike. The riots were directed not in favour of Free Trade, but they were directed against the Manchester manufacturers and others, who were at that time supporters of Free Trade.

"I ask you not to be guided by me—not by a Protectionist but by a Free Trader—by a Free Trader who lived in those days. He was the friend of Mr. Cobden—a Free Trader who wrote the history of the Free Trade movement, believing it to be right, and he therefore is an irrefutable witness in a case of this kind. Mr. Mongrédien wrote that history of the Free Trade movement, and read what he has to say about the history of the Chartists. It is quite enough for you to read Mr. Morley's *Life of Cobden*. You will find in that Life a quotation from Mr. Cobden in which he says—I must be careful about the exact wording—that a great body of intelligent mechanics stood aloof from the movement, and at the same time he admits frankly—he was always honourable and frank in all his discussions—that it was a manufacturers' movement, and he says: 'I must confess, in the outset at any rate, most of us thought we had a distinct class interest in the matter'; that is to say, rightly or wrongly, the Free Trade movement was a manufacturers' movement. It was not a working-class movement, and the leaders of the working classes in those days, rightly or wrongly, were opposed to the movement, and they were in favour of something quite different—in favour of that electoral reform which, in subsequent years, the working classes have obtained. Now, bear in mind—let me impress on you—what this argument shows. It shows you that the distress of which you are often reminded, the distress of 1841, was not attributable to the Corn Laws, it was not attributable to the price of bread, it was not attributable to Free Trade. It was due to other causes altogether, and the distress and the starvation and the destitution ceased when those causes were removed."

Mr. Chamberlain went on to argue that the repeal of the Corn Laws had not been followed by a fall, but by a rise, in the price of wheat, and that the twenty-five years of prosperity that followed were due—as, in part, no doubt, they were—to the discovery of gold and the progress of mechanical invention.

It would be unfair, perhaps, to say that these words were meant as a defence of the Corn Laws, or could be taken as suggesting that the speaker would even consider the revival of the tax in anything like its old dimensions. But undoubtedly they were intended to show that he had definitely passed away from even a theoretical belief in Free Trade that was not universal, and also to conciliate the small group of Conservatives who wish to revive English wheat-growing by laying a prohibitive tax on foreign grain. Real accord there could not be between (say) Mr. Chaplin and Mr. Chamberlain unless the latter was prepared to go much greater lengths than he has yet indicated. Indeed, the Canadian wheat which he wishes to import into this country would be just as injurious to the British farmer as that grown on foreign soil. But the old-fashioned Protectionists welcomed an approach, however slight, to their almost extinct programme, because they hoped, insensibly, to draw him towards, at least, an indirect countenance of the Duty of 10, 15, or even 20 shillings a quarter which they regard as necessary for turning English wheat-growing into a profitable industry.

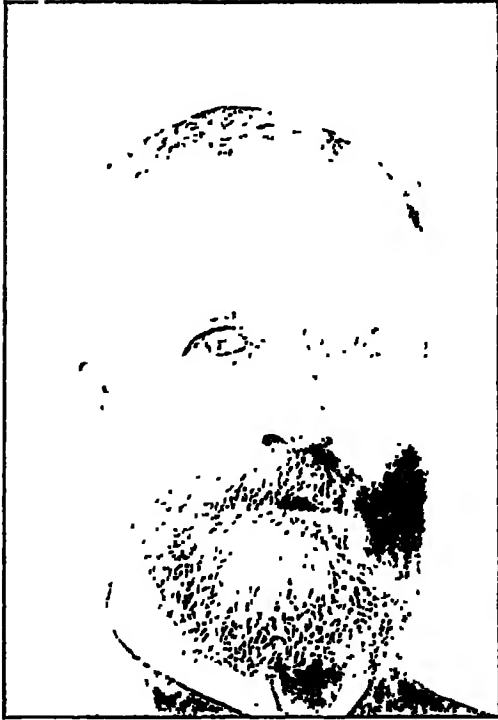
Rightly or wrongly, some colour was believed to be lent to such expectations by a passage in the speech delivered at Cardiff on November 20th. Referring to the fact that he had not included in his Fiscal campaign any visit to purely agricultural districts he said: "That is not because I am unaware of the importance of the question of the agricultural interest, whether in the person of the landlord, the farmer, or the tenant. No industry in this country—and, after all, although it has fallen

greatly from its high estate, agriculture is still the greatest of our industries—has suffered so much from unrestricted Free Imports in this country, and no industry has been so completely the victim of the miscalculations of the original Free Traders. Mr. Cobden believed, and told the people of this country, that he did not suppose that his proposal would throw a single acre of land out of cultivation, or place any tenant farmer in a worse position than he was before. He pointed out to them that, at the time, they enjoyed a 'natural Protection' in the shape of freights and charges, which amounted, if I remember aright, to something like 10 shillings a quarter. He said that with 10 shillings a quarter they ought to be satisfied, and ought to be able to hold their own. But neither he nor anyone else at that time could have believed that this 'natural Protection' would be so reduced until now it hardly exists. They brought this great industry down to its present condition; so that, while, as I have said before, it still employs the largest number of persons engaged in any single industry, yet in each succeeding decade the number continues to be reduced, and fewer and fewer people are employed upon the land. This industry has a right to be consulted, and before our discussion is ended I hope to visit agricultural districts. But I have come to the towns first for several reasons. In the first place, because all that old jealousy which used to exist between the town and the country, and between agriculture and manufacture, has almost disappeared; because the people in the towns and people in the country recognise that their interests are identical. The influence of the towns spreads widely throughout the surrounding districts, and if I can persuade the towns—and I do not think they require much persuasion—if I can only persuade them that the time has come to consider a change—I have no doubt whatever of being able in turn to convince the country districts. Meanwhile, I want to remind you of what is the essence of the

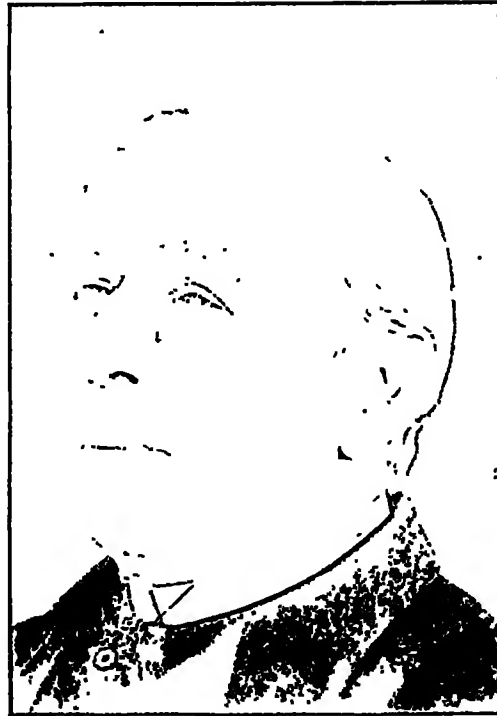
UNIONIST FREE FOOD LEADERS

The plate shows four of the chief Unionist opponents of Mr. Chamberlain's fiscal policy, two of them Conservatives and two Liberal Unionists. Spencer Compton Cavendish, eighth Duke of Devonshire (born 1833), was a prominent Liberal leader under the name of Lord Hartington from the sixties to 1886. He was leader of the Liberals in the House of Commons during Gladstone's retirement in 1874-80. He held office under Lord Salisbury and Mr. Balfour from 1892 to 1903, his resignation being due to Mr. Chamberlain's proposals. George Joachim Goschen, first Viscount Goschen (born 1831), a Liberal Unionist, was Chancellor of the Exchequer in 1887-92 and first Lord of the Admiralty in 1895-1900. He was raised to the peerage in 1900. Sir Michael Edward Hicks-Beach (born 1837) was Chancellor of the Exchequer in 1895-1902. He has been Conservative member for West Bristol since 1885. Charles Thomson Ritchie (born 1838) was Chancellor of the Exchequer for a part of 1902, but resigned because of Chamberlain's proposals. He has represented Croydon as a Conservative since 1895.

UNIONIST FREE FOOD LEADERS



Gunn & Stewart
RT. HON. SIR MICHAEL HICKS-BEACH



Kingsbury
VISCOUNT GOSCHEN



Stereoscopic
RT. HON. C. T. RITCHIE



Russell
THE DUKE OF DEVONSHIRE

controversy, that you may not illustrate this great question by a reference to one industry or another, but that the real point which you have to keep prominently in view is that the prosperity of one is intermixed with the prosperity of the other, and the prosperity of the whole means the prosperity of all the parts. You in the towns are the best customers of the country. The country supplies you, still supplies you, although in constantly decreasing quantities, with some of the principal necessities of your life. You in turn supply the country with all it wants except food."

There is nothing in these words beyond an indirect suggestion that a Duty of ten shillings was not beyond the limits of reconsideration, but the general tone of the speech, and especially the animated attack on the "Free-fooders" who had formed a "new cave of Adullam," pointed to something more satisfactory to the farmers than a Duty of two shillings a quarter.

Otherwise, the Cardiff speech was, in the main, a vindication of Reciprocity and a plea for taking vigorous measures against "dumping." This he illustrated, as his custom is, by an appeal to local experience, and declared that the tin-plate industry was an especial sufferer. He proved, beyond dispute, that the American market had been practically lost, whereas, he contended that by a "scientific tariff" it might have been preserved. At Newport, Monmouthshire, on the following day, he described the position of the steel and iron trade as being gravely injured by unfair foreign competition.

It should be pointed out here that, though the actual figures quoted by Mr. Chamberlain, and the statements made as to matters of definite fact, are, as a rule, accepted by his opponents, they by no means admit either that his statistics are complete or that his conclusions have been established. Almost every inference which he has drawn as to the various trades which have been represented by him as being more or less ruined by foreign competition

has been disputed, not only by politicians, but also by men of acknowledged position in each of the industries in question—notably in the case of the tin-plate, the iron and steel, and the shipping trades, as well as in such comparatively unimportant matters as the manufacture of jewellery. This, however, is not the place to examine the rival views put forward by Protectionists and Free Trade orators or statisticians. Except by bitter partisans, he is not accused of wilfully presenting a false case, but he is charged with selecting only those facts that support his contention, and with ignoring the others. He may, perhaps, retort with equal justice that some of his critics are also bent upon fitting their facts to a preconceived theory, and are more anxious to support the traditional policy of the country than to consider whether it should not be modified to suit altered circumstances. On both sides it is apparent that, from the first, there has been much disputation, and little inquiry; and it may be added, without fear of contradiction, that many of the men who occupy, or hope to attain, important positions in the State have betrayed an astonishing ignorance of the very elements of economic science and a surprising inability to look behind rows of figures and interpret their meaning. The truth is that the present generation have not enjoyed the practical training in economic facts which was afforded by the great experiment of 1846. The surviving veterans, on either side, are naturally reluctant to look at new facts or consider fresh lights. The men of middle age have accepted the old traditions, and the younger ones are, as a rule, devoid of the necessary training and mental equipment. The opinions of "Professors" are set aside as mere theory, while the experience of practical men is repudiated as being inspired by self-interest.

In consequence of the general haziness of the public mind, the "practical politician", remembering that he has a seat to keep, as well as a soul to save, is tempted to adopt the opinions which he believes likely to be most

popular in his constituency. Never, in recent times, has there been so little attempt to instruct the electors, or so much endeavour to fish for the votes of the ignorant. It is, perhaps, an inevitable incident of an advanced Democratic Constitution that catch-words and clap-trap should possess more immediate value than reasoning and exposition, but it must be regretfully confessed that, with a few honourable exceptions on both sides, the speeches delivered and the letters published by our public men have been strikingly unworthy of the great controversy which Mr. Chamberlain has raised. Those who pass for well-informed have, as a rule, been content to borrow, second or third hand, the dogmas laid down either by idle inheritors of the traditions handed down by Smith, Bentham, and Mill, or by hasty assimilators of the speculations started by a comparatively new school of economic thought in Germany. If, hitherto, the display made by English politicians has been signally disappointing, it may be hoped that the leading minds and guiding influences of the nation will now be recalled to a problem which has been rendered acute by the action of a Statesman who, on the least favourable estimate, stands, in modern history, only second to Mr. Gladstone as an agitator and a maker of public opinion. If the ultimate result of the speech of May 15th is to popularise again an understanding of the complex science which for the last twenty years has been studied in England only by a small group of acute thinkers¹ and patient investigators—studied by them with singularly interesting results, though not brought in any effective manner before the average man—Mr. Chamberlain will have conferred a signal service on his country. Nor will the value of it be affected by the answer which may be given to the demand he has formulated.

Mr. Chamberlain himself, of course, claims no such merit. He has made up his mind, and he is bent, if

¹ *Vide* the Papers contributed to the *Economic Journal*.

possible, on getting the country to make up its mind in the same way. The closing speech of his "provincial campaign" was delivered at Leeds on December 16th, and, though it contained a spirited re-assertion of the arguments which he had previously put forward, was chiefly noticeable for a hint and an announcement. The hint was conveyed in his answer to the objection that the Colonies had made, and would make, no offer of such a Tariff Preference as would compensate this country for laying a Duty on food imported from foreign countries. "Send me to the Colonies as ambassador," he said.

The phrase was interpreted in some quarters as suggesting that he intended to make an unofficial tour of the Colonies, confer with leading politicians, and address a series of meetings. The more natural inference, however, would be that he was contemplating his return to office as Colonial Secretary, armed with a mandate from the United Kingdom to negotiate a series of Preferential Treaties. But the hint, whatever might be its true meaning, was far less important than the definite announcement contained in the following words:—

"Under the auspices of the Tariff Reform League, which is the organised representative Association of this great movement, we have gone a long way in the direction of forming a Commission—not an official Commission, but a non-political Commission of experts—to consider the condition of our trade and the remedies which are to be found for it.

"This Commission will comprise leading representatives of every principal industry and of every group of industries. It will comprise representatives of India, of the Crown Colonies, of the great Self-Governing Colonies; it will invite before it witnesses from every trade, and it will endeavour, after hearing all that can be said, not merely in regard to special interests of any particular trade, but also in regard to the interests of all the trades

which may be in a sense related to it, to form a model tariff.

"The principle I laid down at Glasgow was that we should have a tariff averaging 10 per cent on manufactures, and that the tariff should be arranged so as to put the highest rate of Duty on the imports which have most labour in them as compared with partly manufactured. Whenever the country is ready to give us the mandate for which we ask, and a Government is in power which is prepared to accept our principle, we will have ready for us all the information, or at all events a great part of the information, that it will desire, and we will lay before it, at all events, a tariff which has been presented to the people, and upon which the people have had an opportunity of expressing their opinion."

On the 18th the Tariff Reform League published a statement of the scope and purpose of this "Commission" with a first list of the politicians and leaders of industry who had consented to serve upon it:—

"It has become evident that, should the electorate endorse Mr. Chamberlain's proposals for Tariff Reform, a lengthy period would intervene between the necessary investigations into the many intricate problems which presented themselves and the actual introduction of the tariff. This period would tend to inactivity and even disorganisation in almost every trade, for business men would naturally hesitate before committing themselves to arrangements which might prove to have been made unwisely. Evidently, therefore, in the event of a Government pledged to Tariff Reform coming into power, it would be of the utmost service that the preliminary investigations should have been made, and that thus the work of inquiry should have been so far completed as to render the process of arriving at exact conclusions much less lengthy and much less difficult. This work of ascertaining the manner in which the many conflicting interests may best be harmonised will be undertaken by the Tariff

Commission. In any event, the results of the investigations of such a Commission cannot fail to be of the utmost value to business men and to the nation. A complete list of the members of the Commission, which will include representatives of India and of our great Colonies, will be published as soon as it is fully constituted.

“The following have already accepted Mr. Chamberlain’s invitation to serve:—Mr. Charles Allen, Mr. Charles Booth, F.R.S.; Mr. Richard Burbidge; Sir Vincent Cail-
lard, K.B.; Mr. J. J. Candlish; the Right Hon. Henry Chaplin, M.P.; Mr. J. Howard Colls; Mr. William Henry Grenfell, M.P.; Mr. F. Leverton Harris, M.P.; Sir Alexander Henderson, Bart., M.P.; Sir Alfred Hickman, Bart., M.P.; Sir Alfred L. Jones, K.C.M.G.; Mr. Arthur Keen; Sir W. T. Lewis, Bart.; Mr. A. W. Mac-
onochie, M.P.; Mr. W. H. Mitchell; Mr. Alfred Moseley, C.M.G.; Sir Andrew Noble, Bart., K.C.B.; the Hon. Charles Parsons, F.R.S.; Sir Walter Peace, K.C.M.G.; Mr. C. Arthur Pearson; Sir Charles Tennant, Bart.; and Mr. S. J. Waring, jun.

“It will be seen that the Commission consists of practical men, and that it has been composed with regard to locality as well as to the adequate representation of the principal trade interests of the Empire. The Commission will take as the basis of its inquiries the proposals which have been submitted to the country by Mr. Chamberlain. Members of all trades will be invited to come before the Commission and to give their opinion upon the various points which affect the industries in which they are engaged. They will be asked to attend irrespective of their views upon Tariff Reform. They will be supplied at least a fortnight in advance with the main questions which it is proposed to put to them, in order that they may be able to prepare exact statements in reply. Members of the Commission will, naturally, have the opportunity of examining witnesses on their replies to the general questions which they have been asked,

and of raising other points of interest. Information given to the Commission by witnesses will be regarded as confidential when so desired. It is anticipated that an immense amount of most useful information will be gathered by means of inquiry forms. These will be sent out not merely to business men, whose opinions upon questions affecting their trades are considered of value, but also to those engaged in commerce in all parts of the Empire, who, owing to considerations of time or distance, cannot give their testimony personally. There will thus be obtained a very complete expression of opinion from members of every trade on the points which affect those interested in it collectively.

“The Commission will utilise in all possible ways existing trade organisations and institutions. Their co-operation will be invited, and they will be asked to make recommendations as to those who should come before the Commission. The Commission will elect Sub-committees in cases where it seems necessary to do so, and will, when desirable, invite persons who are not members of the Commission to join these Sub-committees. Thus it will be possible to deal with complicated issues concerning any particular trades by means of representative Sub-committees capable of considering intricate questions from the point of view of the expert. The Commission will have at its disposal the entire services of Mr. W. A. S. Hewins, until quite recently Director of the London School of Economics and Professor of Economic Science and Statistics at King's College, who has resigned those posts in order to act as its Secretary. Mr. Hewins will be assisted by a large and competent staff of experts, statisticians, and indexers, and will further have at his disposal the resources of the Tariff Reform League, under whose auspices the Commission will conduct its operations. The preliminary work of organisation will be completed very shortly, and it is intended that the Commission, which will meet twice weekly, shall begin its

sittings about the middle of January. While no information of a confidential character will be published, regular statements will be made to the Press as to the progress of the Commission."

It is needless to recall the criticisms and inferences, favourable and unfavourable, which were at once based on the appointment and composition of this body. The significance of the step taken by Mr. Chamberlain's organisation was the proof it afforded that to his mind the time for deliberation had gone by, and the moment for action arrived. He considered and assumed that he had proved his case, and, in the event of his policy being accepted at the next General Election, he wished to be prepared with a definite scheme which he might press on the Government, whether as a leading member or an outside adviser. By instituting this Commission, he met, and hoped to refute, the commonly-urged objection that his scheme looked very well so long as it was wrapped up in generalities, but would break to pieces as soon as an attempt was made to reduce it to practical details.

The question had often been asked, but never explicitly answered, how did Mr. Chamberlain intend that the "power of making bargains" with foreign Governments should be exercised. Would Parliament be invited to invest Ministers with a discretion to raise or lower the tariff against a particular country according to the unfavourable or favourable spirit in which it might meet our overtures for reciprocity? Or must each alteration in our scale of Customs be submitted for discussion in Parliament and pass through all its stages like the Sugar Convention Bill? To adopt the former course would be a very important Constitutional innovation, since it would deprive the Commons of any but an indirect control over the public purse, and would certainly be opposed by many politicians who are not adverse, in principle, to a moderate Protectionist policy. Probably, this has not been contemplated by Mr. Chamberlain, since, if it were his idea that

the Ministry of the day should be empowered to improvise plans of Fiscal defence, there would be comparatively little use in setting up his Commission to work out a model Tariff.

Space does not permit an examination of all the arguments which have been brought forward on the great issue raised by Mr. Chamberlain—either the abstract propositions chiefly favoured by indolent rhetoricians on either side, or the practical statistics relevant to the actual circumstances and changing conditions of the United Kingdom and the British Empire. A convenient and quite impartial summary is provided in the eleventh edition of Mr. Sydney Buxton's *Handbook to Political Questions of the Day*, published by Mr. John Murray, while those who merely wish to fortify the opinions which they have decided to advocate will be sufficiently equipt for platform purposes with the pamphlets and leaflets circulated by the various political organisations.

Though Mr. Chamberlain has not formally announced any advance beyond the Retaliation policy which he originally linked with a Preferential system, and though for a definite statement of the plan which he proposes to lay before the country we must wait for the Report of his Commission, it is alleged by his opponents, and has not been denied by his supporters, that some at least of the arguments which he has employed in favour of Retaliation go a great deal further than that modest limit. If they are valid at all they may be invoked to support a general scheme of Protection for agricultural and manufacturing industries, both British and Imperial. He has, indeed, denounced the High Tariff of the United States, which he regards as an "abomination", but he has not indicated where, or on what principle, he could draw a line beyond which the country should not pass. Nor, probably, does he intend to suggest any such self-limitation. That would be tying the hands of the Government in its dealings with a foreign Power, and defeat the very object at which he is aiming. The policy of "hitting back" is singularly futile

unless one gives harder blows than one gets—a vain display of international fisticuffs, *ubi tu pulsas ego vapulo tantum*. It is possible, therefore, that, in order to make Retaliation effective, he might think it necessary in special instances to exceed the fairly elastic limits of a “ten per cent Duty on the average,” and raise our Tariff at least to the level of those against which we were contending. But, even if Mr. Chamberlain himself were content with practising Retaliation in order to obtain Reciprocity, it is certain that many of “those about him” have openly advocated far more comprehensive schemes than would defeat “dumping” and “unfair competition.” They are quite as anxious as Germans are, or Americans, to encircle the home market with fiscal barriers against the importation of any goods which are or might be produced or manufactured in this country. At present, indeed, they are discreet enough to profess themselves ready to keep our ports open to Colonial industry—but that is because the fear of competition within the Empire has not yet become acute. Already, however, the cry has been raised against the “dumping” of Canadian steel, and it is not very long since some of the Lancashire cotton manufacturers asked for State assistance against the cheap labour and long hours of the Indian mill-hands.

It is not, therefore, so much against any proposals with which Mr. Chamberlain has definitely associated his name, as against some which might be the not very remote consequences of his programme, that many moderate-minded persons have thought it necessary to make a firm stand. In the hackneyed phrase of the day, Protection is an inclined plane, and they do not believe that any Government which entered on that path would be able to arrest its descent when the limit of safety had been reached. Nor do they find, in Mr. Chamberlain’s published utterances, any indication that he regards with alarm a course which they believe to be ruinous. In short, they dread the policy, and they distrust the man.

It has been his fortune, except for a brief period in his career, to divide public opinion sharply—as sharply as Mr. Gladstone did, or Lord Beaconsfield. While he has roused in many of those who disagree with his latest departure a personal animus which makes them forget his great services to the Empire, he has also inspired his supporters with an unreasoning enthusiasm which leads them to applaud any sentence that he throws off in the excitement of a public platform. If he makes a mistake as to matters of fact, as he often does, first they declare that he was right, and, when that has been disproved, they say it is “only a detail” and does not affect his general argument! Those who most admire the great qualities of leadership which he has displayed in the Fiscal Campaign cannot but regret that a question which should be studied by the dry light of reason and a patient examination of complicated facts has largely been reduced to a personal issue.

In no respect has this unfortunate tendency been more fully illustrated than in the almost complete oblivion which has fallen over the series of official statistics which the Government presented to the country as the basis of the Inquiry which they had instituted at Mr. Chamberlain's demand. The most important of these publications were the Report of the Inland Revenue Commissioners for the year ending March 1903 (a document somewhat more amplified than usual); the Board of Trade Return as to the course of Wholesale and Retail Prices in the United Kingdom, by Mr. Llewellyn Smith; and, what is generally known as “the Fiscal Blue-Book,” the Memoranda, Statistical Tables, and Charts prepared in the Board of Trade with reference to British and Foreign Trade and Industrial Conditions. This monument of official industry, produced under the direct supervision of Sir Alfred Bateman, consists largely of statistical replies to questions formulated by members of the Government—many of them by Mr. Chamberlain himself. Necessarily, therefore, it was some-

what amorphous and forbidding in appearance, but it is a very mine of exact information, and, where the figures might be liable to misinterpretation, an explanation has been added for the guidance of the unskilled or the incautious. A brief and impartial, though necessarily an incomplete, analysis of these three important publications will be found in Appendices vi, vii, and viii.

Though the scope of this biography does not include a full exposition of the replies which have been made to Mr. Chamberlain's speeches, it will be convenient to refer to the chief speeches delivered in the Autumn, some of which have been reprinted in *All Sides of the Fiscal Controversy*, published by Messrs. Lawrence & Bullen. Mr. Asquith, who has been the most energetic of the Liberal Leaders in this campaign, put forward, at Cinderford on October 8th, a complete and uncompromising defence of the traditional Free Trade position. He refused to accept even Retaliation as advocated by Mr. Balfour—it had been proved futile as a weapon of defence. Nor, if it were thought necessary, need a Government ask for special power to employ it. Witness the Sugar Bill. It was untrue, Mr. Asquith declared, to pretend that foreign Protectionism had become more severe than it was in 1846. We are more successful in piercing Fiscal barriers than are countries which practise Retaliation. And upon what should we retaliate? It must be either on food or raw material, because these make the great bulk of our imports from Russia (23 out of 25 millions' worth) and the United States (108 out of 127 millions). Mr. Chamberlain, he said, was haunted by two spectres, the approaching decay of British trade and the possible break-up of the British Empire. Trade had been "practically stagnant" for thirty years! Yet the amount assessed to Income Tax had doubled in that period; the interest on our foreign investments had more than doubled; deposits in savings-banks had increased two and threefold; bankers' cheques cleared had risen

from 5300 to 8000 millions; and wages had risen, not merely in money value, but also in purchasing power—100 shillings being now worth as much as 140 shillings twenty years ago. The following passage may be quoted *verbatim*, because it gives in a convenient form the Free Trade reply to the frequently exposed, but not yet exploded, fallacy that a country must be living on its capital, and steadily going to ruin, should its imports exceed its exports. It is an argument not employed by enlightened Protectionists, but undoubtedly it still exercises great influence on the popular mind.

“The truth is” (Mr. Asquith said) “Mr. Chamberlain entirely ignores the whole of our home trade, as do most of the New Protectionists, and that is at the bottom of not a few of their fallacies. It is difficult to say exactly what the bulk of our home trade is; but the Board of Trade have computed that as the wages paid in the export trade are something like 130 millions, and as the total wage-bill of the country is between 700 and 750 millions, the export trade does not employ more than one-fifth or one-sixth of the whole labour of the country. I say, then—my first point is—you cannot judge of the industrial condition and progress of the country by looking only at its foreign trade. You are leaving out of sight by far the most important factor in making up the account. Indeed, even a slackening in your export trade may be a proof and consequence of the activity of your trade at home. It was so in certain industries in the year 1900, and the reason why in those times exports did not increase at the same ratio as before had little or nothing to do with hostile tariffs. It was because our manufacturers and those they employed were so busy meeting the demand of the home market that they had not the time, the machinery, the appliances, to satisfy the demands from abroad. That is not all. Mr. Chamberlain begins by ignoring the home trade.

“If you take the foreign trade, or, to use a better expression, trade carried on over-sea, it is a perfectly absurd

criterion to measure its extent or profitableness by looking, as Mr. Chamberlain does, to exports alone. It would be just as reasonable to determine a man's wealth by the amount of the man's expenditure without looking to his income, as to compare the profitableness of the foreign trade of a country by looking only at the exports. Why, if you look at what Mr. Chamberlain says, as between 1872 and 1900, there has only been a paltry rise of between 20 and 30 millions in exports; but if you look at the whole foreign trade and exports and imports together, you find a very different state of things. Take the three decennial periods. From 1873 to 1882, the over-sea trade averaged 662 millions; from 1883 to 1892, the average was 696 millions; from 1893 to 1902, the average was 771 millions. In other words, if you take our trade as a whole, the annual average is considerably over 100 millions in thirty years.

"But that does not complete the account of the matter. If you want to look at exports alone, even then you must not confine your attention to goods that are exported, because, in order to pay for all our imports, we do a great deal more than to send to foreign countries our goods. We perform services for them, and, in particular, we do services in performing the carrying trade of the world. Imagine a man coming before the public with the responsibility of a great Statesman and telling them that trade is in a stagnant condition, when he has not even taken the trouble to bring into account the amount that we are earning every year by our shipping throughout the length and breadth of the world! I will just give you one figure with regard to that. The Board of Trade estimate of the annual earnings of our shipping comes to 90 millions a year—a figure Mr. Chamberlain has left altogether out of the account, although it is strictly relevant, and strictly comparable with and belongs to the same class as the exports of our goods. Now, is that a growing or a diminishing quantity? I will compare the figures of the United Kingdom under Free Trade with the figures of the United States under Protection. In

1870, just about the time that Mr. Chamberlain has taken for his comparisons, our tonnage of oversea shipping was 5,700,000; in 1902 it was 10,000,000 tons. In other words, it has increased very nearly 100 per cent. Now, in 1870 the over-sea shipping tonnage of the United States was 1,500,000; in 1902 this had fallen to 880,000 tons, or a diminution of between 40 and 50 per cent. If it is true, as Mr. Chamberlain has told us, that we are sending less manufactured goods into the United States, you must not forget that at the same time we are performing for the United States, not gratuitously—great as is our affection for the United States—not gratuitously, but for value received, the service of carrying their goods as well as ours all over the world. While their shipping has declined, owing to the excessive cost of ship-building which Protection brings about, our shipping under Free Trade has most continuously and most prosperously increased."

The argument thus summarised by Mr. Asquith must be admitted to dispose, once for all, of the popular fallacy against which it was directed. If the excess of our imports over our exports were really a measure of yearly loss we should indeed be travelling on the road to ruin, since for many years past the average of that excess has exceeded £150,000,000! The assets of the United Kingdom would very soon be exhausted! But it should be pointed out that, in bringing forward this demonstration, valuable and necessary as it is, the Free Trader has not demolished the Protectionist case. He has proved, it is true, that a decline in export trade may be contemporaneous with considerably increasing national prosperity. But it remains for him to show either that the labour and capital previously employed in the export trade have been more profitably, or not less profitably, employed in the home trade, or else, that the decline could not have been arrested, or even turned into an increase, by a judicious manipulation of the domestic tariff. This is an entirely different point, and, though it has not been quite shirked by Mr.

Asquith and some other Free Trade advocates, it is much more difficult of demonstration. Here there can be no clinching the argument by an appeal to attainable statistics. There are no proved facts to go upon, except that the countries which are most successfully developing their export trade are all Protectionist. But whether this commercial success has been gained in consequence of the High Tariff, or in despite of it, is merely a matter for inference from more or less uncertain data. Each view is maintained with equal vehemence and equal lack of positive evidence.

The greater part of the rest of Mr. Asquith's speech at Cinderford was devoted to an examination of Mr. Chamberlain's Preferential scheme, and here it may be observed that this part of his new policy has been somewhat left in the background both by its author and his critics. As things now stand (December 1903) it seems to be matter of general agreement that a hint which he threw out at Glasgow must be quietly withdrawn.

"I am quite convinced" (Mr. Chamberlain said on October 6)—"I have some reason to speak with authority on this subject—that the Colonies are prepared to meet us. In return for a very moderate Preference, they will give us a substantial advantage. In the first place, I believe they will reserve to us the trade which we already enjoy. They will not arrange their tariffs in future in order to start industries in competition with those which are already in existence in the Mother Country. They will not—and I would not urge them for a moment to do so—they will not injure those industries which have already been created. They will maintain them. They will not allow them to be destroyed or injured, even by our competition, but outside that there is still a great margin, a margin which has given us this enormous increase of trade to which I have referred. That margin, I believe, we can permanently retain, and I ask you to think, if that is of so much importance to us now, when we have only eleven millions of fellow-citizens

—of white fellow-citizens—in these distant Colonies, what will it be when, in the course of a period which is a mere moment of time in the history of States, that population is forty millions or more?"

It is quite clear, however, that the Colonies will do no such thing. In Canada and in Australia the suggestion that any Colonial industries should be "ear-marked," and excluded from Protective tariffs against the competition of the Mother Country, has been emphatically, and almost contemptuously, repudiated. It is one of the unexplained mysteries of recent politics that Mr. Chamberlain should have been so seriously misinformed, should have accepted such a representation, and made it part of his basis for a working policy, and that some, at least, of his colleagues in the Cabinet should have believed that such an arrangement would be contemplated by any Colonial Government, or, if adopted by them, would be considered binding on their successors. It should be pointed out, however, that Mr. Chamberlain's mistake has been exaggerated by some of his critics. He did not suggest that the Colonies should bind themselves not to establish this or that industry. They were only to be asked not to extend their Protective tariffs to new industries. This proposal, however, was absolutely unacceptable. One Colonial Minister after another has risen to declare that nothing would induce him to submit to any sort of restriction on the commercial liberty of his countrymen.

In connection with this point may be mentioned the reserve which Mr. Chamberlain has practised in regard to the alleged "offer from the Colonies." From the Proceedings of the Conference of 1902, and from a subsequent speech by Mr. Chamberlain, we know that a more or less definite proposal was made on behalf of Canada—a proposal accompanied by an intimation that, if it were not accepted, the Preference already accorded, so far from being enlarged, might ultimately be withdrawn. But this applied only to the Dominion, and Mr. Deakin, the

Premier of the Commonwealth of Australia, has recently stated (December 1903) that no offer was made on behalf of the great community which he represents in succession to Sir Edmund Barton. The offer, it appears, was from Canada alone.

Passing from the points raised by Mr. Asquith in his Cinderford address, we come to Mr. Ritchie's speech at Croydon, in which the Ex-Chancellor of the Exchequer declared that giving a Preference to Canadian wheat would involve us in difficulties with the United States. He also maintained that no general system of Preferences could be established without taxing raw materials as well as food, as otherwise we should not be able to treat all the Colonies alike. Retaliation, he said, had an important drawback. Suppose that we had obtained the object for which we imposed the retaliatory Duty it would be difficult to take it off, because in the meantime vested interests would have grown up which would fight against the proposed remission. As for Protection, it would not benefit home industries. It would not raise wages or diffuse employment. It had not done so abroad, and would not in this country. Here under Free Trade a working man can buy for 8s. 4d. what would have cost him 12s. twenty-six years ago. In Germany the corresponding rise in the value of his money had only been from 8s. 6d. to 9s. 6d.

Sir Henry Fowler, at Glasgow on the 12th, met the favourite Protectionist taunt that Free Trade had been carried in this country on faith of the promise or pledge that it would soon be adopted by other Governments. He quoted, in reply, Sir Robert Peel's saying that he would give no such guarantee, and even showed that Cobden had not made his much-quoted prediction a cardinal point of his argument. "If Free Trade be a good thing for us," Cobden said in the House of Commons, "we will have it. Let other nations take it if it be good for them; if it be not, let them do without it." Sir Henry then went in detail through various topics

raised by Mr. Chamberlain and others. Even exports, Sir Henry said, had not sunk in real value. Allowing for the difference in the worth of money, and excluding ships from the export figures of 1902 (which, if included, would materially improve the comparison), he contended that, on the basis of the 1873 values, our exports, now reckoned at 278 millions, would be put at 418 millions—an increase of 163 millions in thirty years. Again, the proportion of “trade per head of the population” had risen from £17, 14s. 3d. in 1893 to £20, 18s. 4d. in 1902. While wages had steadily advanced, both in nominal amount and in purchasing power, pauperism had declined from 6½ per cent in 1849 to 2½ per cent in 1902. The tests of savings-banks, of income-tax, of trade profits, of general expenditure, all told the same tale of increasing prosperity. In the iron and steel trade the profits of the manufacturers as assessed for income-tax had risen from 2 millions in 1896 to 5¼ millions in 1901 and 6½ millions in 1902. The tinplate industry, though especially menaced by the American tariff, had survived the attack. The average export of the four years before the M‘Kinley Tariff had been £5,600,000, more than 4 millions going to the United States. It had then fallen to a low figure, but had got back to £4,300,000, of which less than £1,000,000 went to America. Instead of selling to A we were selling to B.

Lord Rosebery’s speech at Sheffield on Oct. 13 was chiefly devoted to showing the difficulty of arranging a system of Preferences. “I maintain,” he said, “that there can be no fair or practicable Imperial tariff. It is acknowledged by its promoters that it cannot include raw material, and it cannot be satisfactory unless it includes wool and timber, which are raw materials. I believe, then, as I believed twenty years ago, when we were working on this in the Imperial Federation League, and for the same reason, that any such system is doomed to failure. I say you cannot fix an Imperial tariff which will be satisfactory.

Still less can you base an Empire on a schedule of forbidden industries. All that is left for you is to try to execute commercial Treaties or understandings with each separate Colony. What would be your commercial system then, and where would be the union of your Empire? Everything periodically, perhaps annually, would have to be revised in our commercial relations with every Colony. You would at least be subject in negotiation to the threat, so unpleasant to hear and realise as a possibility, that 'perhaps after all we had better cut the painter.' Your Chancellor of the Exchequer would be unceasingly engrossed in the attempt to conciliate wholly incompatible and antagonistic interests. Heaven preserve us from the bad blood which would be created under such a system!"

Sir Henry Campbell-Bannerman, two days later, speaking at Bolton, argued that the Duties which Mr. Chamberlain proposed to remit in order to make up for the taxation of food had only been imposed as War taxes, and must in any case be at once remitted. Therefore, they could not be used in any general readjustment of our Fiscal system, and employed to counterbalance the proposed taxation of foreign corn, meat, and dairy produce.

But the most important criticisms of Mr. Chamberlain's policy were delivered by Lord Goschen on Oct. 16, and by Lord George Hamilton on the 22nd at Ealing. Lord Goschen pointed out that we depend on foreign countries for four-fifths of our wheat-supply, Germany only for one-third, France for one-fiftieth, yet the price per quarter here was 7s. a quarter less than in Germany, and from 8s. to 12s. than in France. This was because they were protected countries. As for the proposed Duties on corn, meat, and dairy, who would pay them? "I want to treat the matter from a common-sense point of view. A small tax you cannot always trace in the rise and fall of the article itself, because simultaneously with the effect of the tax there are a number of other economic causes at work. In the case of corn there are drought and frost upon the

one hand, and on the other hand sun and favouring rains—all these economic causes affect the world's market.

“When it comes to any particular country, the burden of a particular tax which may be upon that article enters, if I may say so, into partnership with those causes which are affecting the article as a whole. If you put a tax upon any article, that tax will assist, and be in alliance with, a rise—it will be a lever to increase the price; and when the price is going down, it will be a drag upon the tendency to decline and will postpone that decline. I do not know whether I have made myself clear, but it is essential that that should be understood. The imposition of a tax on wheat, for instance of a 2s. tax, even if it does not raise the price of wheat by 2s. at once, or of bread in proportion, at all events enters into the conspiracy when there are any tendencies to promote a rise, and assists that rise to come about earlier than it would otherwise do.

“Now I said I would deal with the matter in a common-sense way. When you hear of freights being low, the community at large, except the shipowners, rejoice that their wheat will be brought cheaper, because they say that will reduce the cost. There is an outcry against railway rates, because it is said they are so heavy that they burden the cost of the article, which cannot be sold at so cheap a rate as it would otherwise be. And common-sense seems to say that, whatever burden you put upon the cost of an article, sooner or later, except under exceptional circumstances, it must affect its price. There is an old story I heard many years ago of a Dutch captain who sent in an account of the expenses of his ship and himself to his owner, and in that account there was an item for a pair of blue trousers. The owner remonstrated and said, ‘You must cut out that item; what have I to do with your dress?’ He gave in another account; the item had disappeared and the owner was content. But the captain said, ‘The blue trousers are there, only you cannot see them.’ Similarly in the case of the 1s. or 2s. which may be imposed,

though you cannot exactly trace it in the rise and fall of the article, the 2s. is exercising its invisible influence all the time. It must be so; there is no doubt about it. You may doubt what the extent of the effect may be, but there it is.

“The further effect I can show by a concrete instance. A 2s. tax means a farthing on the quartern loaf. It has been said that the bakers will not raise their price of the loaf by a farthing. Well, I am not so sure that they would not. I grant they would be in a difficulty. I believe they sell their bread generally with a difference of a halfpenny, and so they might have a difficulty. But if economic causes such as I have spoken of would produce a rise of 2s., then by adding 2s., which is the burden of the tax, those together would make 4s., which would give the halfpenny that would justify the baker in putting up the price of his bread. So that whatever may be said, whatever may be written upon the subject, depend upon it every burden which is placed upon the production of corn will tell upon the price of bread in the end.

“Here you will see how what I have ventured to put before you touches arguments which are frequently used, both on one side and the other, when the price of wheat at a given moment is pointed to, as to whether the tax has affected the price to the consumer or not. I think it was after the imposition of a shilling on wheat last year that the price rose, but it rose not by a shilling, but 3s. 6d. Nothing could be argued from that as to whether the burden had increased it to that extent, because economic causes were at work all the time, and you can never disentangle the shilling or the two-shilling Duty from the other causes that are at work. Similarly, if the price had not fallen after the reduction had taken place, you would have to look at the world's market, and test the question by the world's market, before you could say that the given figures would justify any declaration as to whether the imposition of the Duty had, or had not, increased the price. But, as I

said, the burden is always there: it is always exercising its effects, whether you can trace them or not."

Though Mr. Chamberlain was, no doubt, sincere in proposing that the two shillings Duty on wheat should be fixed, Lord Goschen did not believe it would satisfy the Colonies. Already some Protectionists were asking for five shillings. The dangers of the "inclined plane" were illustrated in France, where a Duty, which began at 1s. in 1883, had risen to 5s. 3d. in 1885, to 8s. 9½d. in 1887, and to 12s. 2½d. in 1897. So in Germany the start had been made at 2s. 2½d.; in 1883 the Duty was 6s. 6½d.; in 1885 it was 10s. 10½d., and at the present time it was 7s. 7½d.

Lord George Hamilton's speech to his constituents, which was intended partly as a vindication of his withdrawal from the Ministry, was also a general defence of the Free Trade system. Two passages derived special importance from the speaker's recently-severed connection with the India Office:—

"The best customer of British manufactures within the Empire is India. She annually imports almost as much as Canada and Australasia combined, and with a period of normal rainfall this amount is sure to steadily increase. But the Indian people are Protectionist almost to a unit. So long as Free Trade is the policy of this country, and we believe that its working is beneficial to the country which adopts it, we have the moral right of imposing Free Trade on India. The cotton imports from Great Britain to India alone amount to £20,000,000; but if Free Trade is to be discarded as the policy of this country, and if the fact that the Self-Governing Colonies have established Protective duties against the Mother Country is to entitle them to Preferential treatment, we cannot deny to India the right of following their example. If such a change occurred, the loss in our export trade to India would more than outweigh any increase we might obtain from the Self-Governing Colonies. But the loss does not end here. The cotton exports from this country amount to over

£70,000,000 a year. They form a fourth of the whole export trade of the country. Anything which increases the cost of production in this country is fatal to this industry, as its best markets are in the East, where it is, however, in competition with the United States, which has raw material ready at hand with an unlimited supply of cheap industry. Therefore, so far from increasing your export of manufactures, Preferential tariffs would, I believe, operate in the other direction.

“We are the monetary creditors of the world, and there is a debt of something like £300,000,000 upon which interest is payable in this country by the Government of India. These obligations rank next, in point of credit and price, to the obligations of the Imperial Government, and if India failed to pay her periodical interest, Consols would be a good many points lower than they are now. The balance of trade between India and this country is adverse to the former, the imports into the United Kingdom from India being about £15,000,000 less than our exports to that country. How then is this balance, and the annual indebtedness of India in addition, paid? India exports to America, Germany, France, Belgium, and Italy far more than they import to her, and the last four countries, by the import of manufactured goods into this country, pay a large proportion of the annual interest due to the British holder of Indian stock. Our international trade is not only a great system of commerce, but it is a delicate and effective instrument by which the indebtedness of the world to us is periodically discharged. To prohibit manufactured imports from these countries may be pleasing to the protected manufacturer, but it will not be appreciated by the largest money market in Europe.”

At Manchester, Sir Michael Hicks-Beach, on Nov. 5, offered a general criticism of Mr. Chamberlain's scheme, especially on the Preferential side.

MR. CHAMBERLAIN'S FISCAL OBJECT-LESSON

In the course of a speech on his fiscal policy in the Bingley Hall, Birmingham, on November 4, 1903, Mr. Chamberlain made a new departure in political campaigning by introducing a little object-lesson. After referring to the *Daily News* poster contrasting the Free Trade with the Zollverein loaf, he went on: "I felt a curiosity to inquire what would be the exact difference in the size of a loaf if the whole tax which I propose to put on corn was met by a corresponding reduction in the size of the loaf, and I asked my friend Mr. Alderman Bowkett to make me two loaves in order to test this question". Then we are told that he displayed the two loaves amidst loud cheering, and continued: "I don't know whether your eyes are better than mine, but when I first saw these loaves I was absolutely unable to tell which was the big one".



THE CHERRY TREE IN THE GARDEN

"What," he asked, "has been one of the canons of our finance for many years? Why, surely this, that in imposing Customs Duties we should, as far as possible, either impose both a Customs Duty and an Excise Duty, so that the whole proceeds of the burden on the consumer may go into the Exchequer, or, if we could not impose an Excise Duty, we should impose Customs Duties only upon such articles as were not produced in this country. Well, now, Mr. Chamberlain's proposals would impose upon corn, upon meat, upon dairy produce, upon many kinds of manufactured or partly manufactured goods, Customs Duties—on things that are produced in this country or in the colonies, but from which the Exchequer would derive only the Customs Duty on the foreign part of the production, the result certainly being, assuming, as I have endeavoured to show, that the prices would be raised, that the prices of the whole supply—foreign, Colonial, and home—would be raised by the amount of Duty, while the Exchequer would receive—well, less than half, probably, of what the consumer had to pay. That is called 'scientific taxation'. Well, now, I have always thought that scientific taxation consists in this—that you ought not to take out of the pockets of the consumer more than you require for the necessities of the country."

The next day, Lord Goschen, at Liverpool, followed up an elaborate economic argument by declaring that neither Mr. Chamberlain's nor any other Fiscal policy would mitigate pauperism or any existing lack of employment.

"I hope one of the first things our critics, the Protectionists, will do is to show that there is a general want of employment in this country. Let them point to the masses of men who are to be flung upon these imports when they come. Where are they to come from? There are a number of unemployed, there always have been unemployed. There are men unemployed in the building trade, which has nothing to do with this Fiscal policy at all, except that building will be made infinitely dearer in

all its parts under Protection. There are fluctuations at the docks, and there always must be a large number of men unemployed. But in the great industries, if you look back for a series of years, there has not been that want of employment which would justify the revolution in our Fiscal policy which is proposed.

“But they may say there are, outside the trades, a number of unemployed. Pauperism is heavy, and there are many who hang on the outskirts of pauperism, although not paupers themselves. Well, we have, I am sorry to say, inherited an amount of pauperism from the past which has given us in our great cities large numbers of men and women living under circumstances most distressing, which the social reformer must do his best to relieve. It is a question which must demand everyone's attention, but it is not by tariffs, not by raising prices on food, that you will be able to touch most of the poverty which exists in our great cities. I have been at the Poor Law Board myself, and I examined the matter with the greatest interest at the time. They are partly the thriftless and shiftless, partly the infirm, and children of the infirm; they are a mass living a most pathetic life, but at the time when there was a million of paupers in London it was hard to find a large number of able-bodied men. Able-bodied men are not found amongst the paupers. I do not believe that you could find all the unemployed men fully able to produce those goods which now come from abroad. It would have to be by ‘transfer of industry’.”

Here, it must be admitted, Lord Goschen went to the very root of the matter. He raised a point which cannot be ignored. So far as working-men are concerned, they will have no class interest in supporting Mr. Chamberlain's Fiscal policy unless he can show that there is, year by year, some serious lack of skilled employment for men able to undertake it, that an appreciable number of skilled working-men are driven into the ranks of the

unskilled through failing to "transfer their labour," or through any other cause; or, finally, that the condition and prosperity of the working classes in Protected are better than in Free Trade countries, and that they would be improved here by the one system being substituted for the other. Is it true, or untrue, that the artisans and labourers in the United States, in Germany and France, in Sweden and Italy, are more prosperous and progressive than in the United Kingdom? that their wages are higher and possess a greater purchasing value? that their employment under Protection is more constant, less liable to fluctuation, than under Free Trade? Is it true, or untrue, that the local and temporary mischief worked amongst us by the operation of foreign tariffs is sensibly greater than the local and temporary dislocations caused in such countries as the United States by the manifestations of the gigantic Trusts and Combines—organisations which break to pieces almost as soon as they are started in a country that admits Free Imports? This is a question which has not yet been handled, in any effective manner, by the partisans of either side in the present controversy. Yet it is the very basis of the "Condition-of-the-people" argument." It is essential for the advocates of a Fiscal revolution to show that we should be making a change for the better. Failing this demonstration, Mr. Chamberlain would not be entitled to ask working-men to vote for his policy as conducive to their special interests. He would have to rely entirely on an appeal to their patriotism and Imperial sentiment.

What may conveniently, if not quite accurately, be called "the City point of view" was urged on Dec. 16th by Mr. Felix Schuster in an elaborate and somewhat technical Paper read before the Institute of Bankers. There are, no doubt, many eminent merchants and some distinguished financiers who do not accept the conclusions at which he arrived, but no serious attempt has yet been made to dispute the non-political considerations

with which he sought to enforce them. London, he said, is the financial centre of the world—a bill on London is the recognised medium of settling international transactions, not only in the banks, but in merchants' offices all over the world. The bills drawn on Germany, France, Belgium, for goods shipped from Transatlantic countries are comparatively small in number, are used only for trade between the respective countries, and are not international mediums of exchange. Not only does a shipper of goods to the United Kingdom almost invariably obtain payment by selling his bill on London to the local bank; but a shipper of goods to any other part of the Continent of Europe or to the United States generally prefers to draw a bill on London against the goods, leaving the purchaser to settle with the London banker or "merchant banker." Thus the China merchant sending tea to Russia or Germany, or silk to America, "will probably obtain payment through the medium of the London money market, and equally the German merchant who sends goods out to China." This applies to securities as well as to goods. When the United States paid Spain for Cuba, when China made its payment to Japan, the transaction was done through London. Partly this is due to ours being the only free market for gold; partly, to the high credit of our bankers and merchants. "The banker who buys a bill on London, say, in Valparaiso, does not buy it because he wants the gold; but he knows that, if he has no other use for the bill, he can obtain gold for it, though probably at a small loss to himself; he buys it because he knows he can always find a ready market for it, he can always sell it to a merchant, in his own place or some other country, who requires it in order to pay for goods or services rendered to him here, or to some Government that has to remit it for payment of interest. There is an absolutely free market, because there is always a supply, and there is always a demand, and that really in every part of the world."

The supremacy of our Money Market is due to our having established trade with all foreign countries. If it is true that trade follows the flag, it is still more certain that banking follows trade. If our foreign trade were to be restricted within narrower channels we should lose our position as the International Money Market. What a disturbance this would mean it is "almost impossible to conceive." It is on the greatness of our banking resources that the greatness and development of our resources depend, and those resources are increased by "the present system of unrestricted trade." . . . So long as our Money Market remains the cheapest in the world, the present abnormal position merely temporary, we shall be able to take from foreign countries and from our Colonies the Loans which they have to place, and "the increase of our export trade will follow as a natural result."

As regards the growing excess of imports over exports Mr. Schuster admitted that he regarded the "adverse balance" with some uneasiness. From £100,000,000 in 1885 it had risen to £179,000,000 in 1902. He could not absolutely subscribe to the doctrine that every import of goods must of necessity imply an export of goods, though it must imply an export of something. It might, of course, be an export of earning power either by the sale of foreign securities previously held here, or by foreign capital being invested in home securities. But as to such transactions there are "absolutely no statistics," and we can only judge by observation of such facts as come before us. It is, however, misleading to argue that paying for the excess of imports means paying out of capital, though it may, perhaps, mean a diminution of what are termed our "invisible exports."

In accounting for the "adverse balance" it must first be remembered that it is far greater in appearance than in reality, since the imports are reckoned at their value on their arrival here, while the exports are taken at their value here. In one case the merchants' profits should be added,

and in the other case subtracted. And what are the "invisible exports"? They include the earnings of our carrying trade, shipowners and underwriters, not only in our own trade, but in that between foreign countries and between British Colonies; the interest on foreign investments; the income drawn from banking and trading commissions, from insurance business, and the profits of indirect trade generally. So far, therefore, from regarding the growing excess of imports over exports as a sign of commercial decadence, Mr. Schuster laid down that this may be taken as "the measure of our prosperity," but with this proviso—"so long as our earning power through 'invisible exports' is not decreased thereby." It must not be assumed, however, because we do not send gold out of the country, that imports of goods are necessarily paid for by exports of goods. A bill of exchange given to a foreign merchant does not imply the actual withdrawal of gold from this country, but it gives him the power of withdrawing it, and when such withdrawals take place on a considerable scale we have to raise our money rates in order to attract foreign money, and we can only lower them when we have received payment for visible or invisible exports. A prolonged period of high rates here leads to a decline in investment stocks here, while in the countries which have taken our gold or bills on London the investment stocks rise in value, so that the British investor in (say) American railway bonds finds the return is less than in a home security and sells out. This is what has happened with regard to the United States, but, though we are receiving from that country considerably less interest than fifteen years ago, the balance is more than redeemed by our investments in other foreign countries.

Referring to the "Fiscal Blue Book," Mr. Schuster accepted its estimate of the decennial average excess of imports over exports at £161,000,000, less the excess of bullion—total, £155,000,000. The balance is accounted for by an estimate of the earning of the carrying trade

at £90,000,000, and interest on foreign investments £62,500,000. The former may be excessive, the latter, probably, is defective. On the other hand, no allowance is made for the profits on the sale and purchase of goods which do not touch our shores, nor for such business as is done abroad by Fire and Life Insurance Companies belonging to this country.

How, then, can we judge whether the excess of imports is excessive, and that our "invisible exports" are falling off? If the foreign exchanges are constantly adverse, and the value of money higher here than in other centres, that would mean either that we were turning from a creditor country into a debtor country, or that the higher value of money would act detrimentally on our trade and industry generally. There is nothing, however, in the available evidence to warrant such an apprehension—though we do seem to have less money for investment abroad than we used to have, nor is the importance of such investments to be underrated. Though the working man does not live on them, the fact that we possess them enables him to buy his food more cheaply than he would otherwise, and the interest contributes to provide him with employment. So far from being depressed by the present "adverse balance" between imports and exports, Mr. Schuster regarded the development of our foreign trade as "most satisfactory." Taking the year 1872 as his standard—a year of exceptional activity—when our exports were £315,000,000, he pointed out that according to the prices of that year our exports in 1902, which stood nominally at £349,000,000, would really be £551,000,000—an increase of 75 per cent accompanying an increase of 31 per cent in the population.

Taking the average rate of discount in London, Paris, and Berlin, from 1885 to 1902, Mr. Schuster showed that except in 1890 (the year of the Baring crisis) our rate of exchange had remained lower than that of Berlin till 1898, and of Paris till 1901. After a concise account of the

various commercial incidents operating on the value of money, Mr. Schuster dwelt on the adverse effect of the outbreak of war in 1899—the necessary importation of food-stuffs, animals, and raw material. We invested little money abroad, and thus prevented foreign purchases from ourselves; we took up Municipal loans at home, and stimulated home production to such a degree that large orders for railway materials, engines, waggons, &c., had to be declined simply because our manufacturers could not execute them.

The Preferential Policy of Mr. Chamberlain was condemned by Mr. Schuster on the same grounds as by many of his political critics: that the gain of the home producer of (say) corn would only be temporary, and would eventually result in loss, while the main charge would fall on the home producer; that if we depended for our supply chiefly on the Colonial market, a shortage of crops (say) in Canada would mean disaster in this country; that if wages did not rise, our working classes would be injured, whereas, if they did rise, the general cost of production in this country would be increased, which would mean a decline in our export trade to foreign markets. Could we afford to risk our foreign trade—which was 75 per cent of our total export trade—for the sake of a doubtful increase of our trade with the Colonies? Even to Germany, last year, we sold £1,000,000 of manufactured goods more than we imported from her.

After dwelling on the necessity of improving our system of Technical and Scientific Education, and on the directions in which British commerce might be extended (as pointed out in a Blue Book issued in 1898 on British Trade Methods), and after a somewhat sceptical reference to the value of Retaliation as a remedy against “Dumping”, Mr. Schuster suggested that some practical advantage might be gained by bringing our Consular system into closer touch with the Diplomatic Service—though more, however, was to be expected from creating a new Depart-

ment of State under a Minister of Commerce "who would, no doubt, before any changes affecting the commercial policy of the Empire were proposed, seek the advice of experts, and take the country into his confidence and let them know what that advice is, and on what evidence it is based."

It is not, however, on economical and commercial arguments alone that Mr. Chamberlain has based the case for Tariff Reform. He has assured the working classes as well as their employers that they will be gainers by carrying his policy, but he has also insisted, in eloquent terms, on the duty of "making sacrifices" for a patriotic purpose. The two appeals may not be quite consistent, though to Mr. Chamberlain they would present no inconsistency, for, as this record has repeatedly shown, he is not more a man of business than a man of feeling. If we may judge by his own declarations, he would feel bound to persevere in the cause he has taken up, even if the Retaliation and Protective measures which he advocates were to be condemned, on an appeal to the country, as unlikely to diminish the evils of "Dumping" and "Unfair Competition." He would still be under an obligation to maintain his Preferential scheme, since upon this depends, he has often declared, the continued existence of the British Empire. Nothing would induce him to abandon the struggle, he wrote on June 3rd, unless it could be shown that Colonial opinion was "hostile or even apathetic," nor has he since that date indicated any modification of the attitude then assumed. In this respect, therefore, his position differs from that of many of his supporters. They put Retaliation or Protection first, and would be content to let the Preference question stand over. To Mr. Chamberlain the proposed subvention of Colonial exporters must be the primary consideration. He is entitled, perhaps, to take as proved the general sympathy of the majority of the politicians now in Office in the leading Colonies, but he has not yet shown that any of the

Self-Governing Colonies would be prepared to admit British goods in free competition with home manufactures. They are ready to give us an almost indefinite advantage against foreign producers, but that is the furthest point which they have yet attained in Fiscal concession. It is to the Colonists, therefore, as well as to the electors in the United Kingdom, that Mr. Chamberlain must appeal, if he expects to carry out the policy expounded at Birmingham on May 15, 1903—the policy of “Preference for Preference.”

APPENDIX I

MR. CHAMBERLAIN'S MAGAZINE ARTICLES

The most important of Mr. Chamberlain's early writings appeared in *The Fortnightly Review*. The following is a complete list:—

"The Liberal Party and its Leaders" (1874); "The Next Page of the Liberal Programme" (1874); "The Right Method with the Publicans" (1876); "Lapland Notes and Swedish Licencing" (1876); "Free Schools" (1877); "Municipal Public Houses" (1877); "The New Political Organisation" (1877); "The Caucus" (1879); "Labourers' and Artisans' Dwellings" (1883).

Three articles have been published in *The Nineteenth Century*: in December, 1890, "Shall we Americanize our Institutions?"; in November, 1892, "The Labour Question"; and in April, 1893, "A Bill for the Weakening of Great Britain."

Besides the above, an article on "Municipal Reform" was contributed in 1894 to the defunct *New Review*.

APPENDIX II

OFFICIAL PUBLICATIONS

The following list includes most of the official publications relating to subjects mentioned in this book:

1896

Correspondence relating to Transfer of Bechuanaland to Cape Colony.

Correspondence relating to Boundaries of British Guiana.

Correspondence *re* visit of Bechuanaland Chiefs to this country.

Report from H.M. Colonial Possessions—on Bounties other than Shipping and Navigation.

Return—Amount of Sugar produced in Sugar-Producing Colonies 1889 to 1894 inclusive.

Newfoundland Annual Report for 1894.

Matabeleland: Report of Land Commission and Correspondence.

Copy of Messages of Loyalty from Canada, Australia, and New Zealand.

Papers relating to Commandeering of British Subjects in South African Republic. 1894, and Visit of High Commissioner to Pretoria.

South African Republic: Copy of Letter from Sir J. de Wet & his Retirement and Correspondence.

Report from Select Committee British South Africa, and Proceedings and Report from Select Committee Cape of Good Hope on Jameson Raid.

1897

Papers relating to Imprisonment at Pretoria of W. H. Davis and Captain W. Sampson.

Correspondence relating to Transfer of Norfolk Island to Government of New South Wales.

South African Republic: Papers relating to closing of Vaal River Drifts by Government of South African Republic in October 1895.

Papers relating to Liquor Trade in West Africa.

Second Report Select Committee British South Africa.

Papers relating to Benin Massacre.

Proceedings of a Conference between Secretary of State for Colonies and Premiers of Self-Governing Colonies at Colonial Office, June-July 1897.

Trade of British Empire and Foreign Competition, and Despatch from Mr. Chamberlain to Governors of Colonies and High Commissioner of Cyprus, and Reply thereto; Turks and Caicos Island Annual Reports for 1896.

1898

Correspondence relating to proposed changes in the administration of the British South African Company.

British South African Company's Territories—Copies of Charter of 29th October 1889, and Orders in Council.

Cape of Good Hope: Correspondence relating to Disturbances in Bechuanaland.

Africa, No. 4 Despatch from H.M. Ambassador at Paris, enclosing copy of Convention between Great Britain and France.

Sierra Leone—Copy of Communication and Instruction to Sir D. P. Chalmers.

Correspondence & Agreement between Government of British New Guinea and British New Guinea Syndicate.

Return Colonial Import Duties.

Foreign Trade Competition: Opinions of H. M. Diplomatic and Consular Officers on British Trade Methods.

1899

Newfoundland: Papers relating to Contract for Sale of Government Railway, and for other purposes.

Jamaica: Papers relating to the Financial Resources of Island.

Further Correspondence relating to Affairs in Swaziland.

Bechuanaland Railway Correspondence with Mr. Rhodes.

South African Republic: Papers relating to Complaints of British Subjects.

Nigeria.

Bloemfontein: Conference; Political Condition; Despatch to Secretary of State.

Malta: Report.

South African Republic: Correspondence relating to Political Reforms.

Report: Finances of Jamaica; Financial Returns as to Colonies to which it is proposed to advance Loans under the Colonial Loans Bill, 1899.

Colonial Loans: Explanatory Note as to proposed Loans under Loans Bill, 1899.

South African Republic: Further Correspondence; Political Reforms.

Jamaica: Further Correspondence.

South Africa: Further Correspondence; Political Affairs.

South African Republic: Further Correspondence relating to Affairs.

Nigeria: Correspondence relating to Benin Territories Expedition.

West Indies: Further Correspondence relating to Hurricane.

South African Republic: Correspondence relating to Despatch of Colonial Contingents to South Africa.

1900

Further Correspondence; Affairs of South Africa.

South Australian Constitution Amendment Act, 1899.

Basutoland Report.

Correspondence with Presidents of South African Republic and Orange Free State respecting the War.

Papers relating to Federation of Australian Colonies.

Papers relating to Federated Australian Colonies.

West Indies: Jamaica Contract between Crown Agents for Colonies and Messrs. Elder, Dempster, & Company for Steamship service between Jamaica and United Kingdom.

Malta: Law relating to Public Meetings.

Australian Federation: Extract from a Memorandum on Draft Australian Commonwealth Bill.

Further Correspondence: Correspondence; Affairs of South Africa.

Return South Africa Transports; Cape Colony Correspondence; Affairs of.

Report: Recent Political Situation in South Africa.

West Indies: Correspondence *re* Hurricane and Relief of Distress.

Further Correspondence; Affairs of South Africa.

1901

Correspondence: Ashanti War, 1900.

South Africa: Papers relating to Negotiations between Botha and Lord Kitchener.

South Africa: Papers relating to Negotiations between Botha and Lord Kitchener.

Statement: Colonial Loans Act.

Further Correspondence: Affairs of South Africa.

Africa: Correspondence relating to murder of Mr. Jenner and Ogader Punitive Expedition.

Gold Coast: Laws and Regulations affecting Lands and Mines.

South Africa: Papers relating to Negotiations between Botha and Lord Kitchener

South Africa: Number of Persons in Concentration Camps, June 1901.

Colonies: Correspondence relating to Proposed Alteration in Royal Style and Titles of Crown.

South Africa: Papers relating to certain Legislation in late South African Republic affecting Natives.

Further Correspondence relating to Political Condition of Malta.

British South African Company: Financial Statement 1899-1900, and Estimates for 1901-1902.

South Africa: Correspondence relating to Hostilities in South Africa.

South Africa: Return of Number of Persons in Concentration Camps, July 1901.

South Africa—Proclamation issued by Lord Kitchener as Administrator of Transvaal in July 1901 respecting Payments in Contracts to Purchase or Lease Land or Mining Rights.

South Africa: Correspondence Number of Persons in Concentration Camps, August 1901.

South Africa: Number of Persons in Concentration Camps, September 1901.

South Africa: Correspondence relative to Treatment of Natives by Boers.

South Africa: Further Papers relating to Working of Refugee Camps.

1902

South Africa: Further Correspondence relating to Affairs.

South Africa: Despatches from Lord Kitchener; Papers relating to Working of Refugee Camps.

South Africa: Despatches to 8th December 1901.

South Africa: Petition from Boer Prisoners in Bermuda.

Transvaal: Papers relating to Legislation affecting Natives in.

Africa: Correspondence with Netherlands Government regarding War in South Africa; Letter from General Smuts to General Botha.

South Africa: Further Correspondence *re* Treatment of Natives by Boers.

South Africa: Further Correspondence; Work of Refugee Camps.

South Africa: Correspondence *re* proposed Additions of Territory in Natal.

South Africa: Correspondence *re* Terms of Surrender of Boers in field.

South Africa: Despatches to 8th April 1902.

Further Correspondence *re* Affairs in South Africa.

South Africa: Papers relating Interview between Secretary for Colonies and Boer Generals.

South Africa: Correspondence *re* Appeal by Boer Generals to Civilized World.

Board of Trade Memorandum on Comparative Statistics of Popula-

tion, Industry, and Commerce in the United Kingdom and some leading Foreign Countries.

1903

Convention for Adjustment of Boundary between Canada and Alaska.
Correspondence relating to Kano.
South Africa: Further Correspondence, June 1902 to Feb. 1903.
Africa: Recruitment of Labour in British Central Africa Protectorate.
Progress of Administration in the Transvaal and Orange River Colony.
South Africa: Further Papers as to Administration in the Transvaal.
Queensland: Correspondence as to Kanaka Labour.
South Africa: Estimated Financial Position of the Transvaal and Orange River Colony.
Australia: Constitutional Relations between Australian Commonwealth and States in regard to External Affairs.
South Africa: Draft Union Customs Convention.
South Africa: Correspondence to Inter-Colonial Council.
South Africa: Correspondence *re* Indian Coolies.
Transvaal: Position of British Indians.
Trinidad: Report of Commission on Disturbances at Port of Spain.
Correspondence with Belgium and Germany as to their Commercial Relations with Great Britain and British Colonies.
Sugar Convention: Findings of the Permanent Commission and Report of the British Delegate.
Canadian Trade with Germany, 1890-1902.
Merchant Shipping in 1902.
Wholesale and Retail Prices in the United Kingdom (Board of Trade Returns).
Forty-sixth Report of the Commissioners of Inland Revenue.
British and Foreign Trade and Industrial Conditions (Memoranda, Statistical Tables, and Charts prepared by the Board of Trade).

APPENDIX III

CHARTERED COMPANY'S CORRESPONDENCE

The following are the telegrams quoted by Mr. Stead and others to show that Mr. Chamberlain was a party in 1895 to the conspiracy against the independence of the South African Republic:—

Dr. HARRIS, London, to CHARTER, Capetown

31st December 1895.

Inform Dr. Jameson your telegram received, doing our utmost, do not think I shall fail.

VOL. II.

HARRIS to RHODES

*Very Confidential.**2nd November 1895.*

If you cannot carry out the plan of Dr. Jameson, have every reason to believe J. Chamberlain intends active policy Imperial with intention to federation British sphere of influence in his way, and he will expect you to adopt his views.

2nd November 1895.

Earl Grey held an interview with J. Chamberlain. We have seen Native chiefs decline our proposal, but we hope they will make counter proposal J. Chamberlain will put pressure upon them to settle. Fear we must increase Khama's boundary. Large breakfast to be given Khama 4th November, London. Fear speeches will damage British South Africa Company. But R. Maguire Dr. Harris hold an interview with speakers to-morrow, hoping to influence these. Country press very much in favour of Khama.

2nd November 1895.

Willoughby and Khama state you had promised them land up to Panda Ma Tenka. I have been trying for Sir Charles Warren may position. Telegraph authoritative denial.

HARRIS to CHARTER, Capetown

2nd November 1895.

Communicate the following to Dr. Jameson. I have obtained you Ikanning, and will probably get Protectorate. Can you carry out your plan or not?

HARRIS to RHODES

2nd November 1895.

Registered address of Earl Grey is Gothical, London. You must register this on your side at once.

4th November 1895.

Your telegram of 3rd received E. Fairfield we shall see him and explain in return for transfer at once Protectorate the police are prepared to deal liberally land we have offered already if they grant now police and balance Protectorate we will leave native reserves entirely under Imperial rule for a period of years. They are native chief's wishes more than more land. Will you agree to? Have telegraphed Earl Grey must come London. You have not chosen best man to arrange with J. Chamberlain. I have already sent Flora to convince J. Chamberlain support *Times* newspaper and if you can telegraph course you wish *Times* to adopt now with regard to Transvaal Flora will act.

4th November 1895.

J. Chamberlain he does not return London until to-morrow. I have spoken open E. Fairfield, and I have accepted, if Colonial Office (they) will transfer to us balance Protectorate with police 7th November we will agree to any liberal native reserves for native chiefs also remain under Imperial rule for a period of years, and we give up railway subsidy two hundred thousand pounds last bargain E. Fairfield he does press

if you cannot approve let us know about this as soon as possible by telegram. We believe E. Fairfield will carry out promises. Regret to inform you that J. Chamberlain he does continue punching Consul General Transvaal with regard to drifts E. Fairfield he is anxious Johannesburg if they take steps in precedence of.

5th November 1895.

We have seen E. Fairfield, Hon. R. H. Meade, Colonel Gould Adams, and we have agreed to what land we give native chiefs. Secretary of State for Colonies holds an interview with us to-morrow afternoon three, and after native chiefs if they are satisfied and they will be present. Secretary of State for Colonies he will grant British South Africa Company balance Protectorate with police. We reported your letter to A. Beit during the month of August to these and Flora we have these solid.

RHODES to HARRIS

6th November 1895.

- As to English flag they must very much misunderstand me at home. I of course would not risk everything as I am doing excepting for British flag.

8th November 1895.

I warmly thank you for your work.

HARRIS to RHODES

8th November 1895.

See cable to acting High Commissioner from E. Fairfield releasing police and giving us balance of Protectorate are you satisfied with?

RHODES to HARRIS

8th November 1895.

Do we get ownership on ten mile strip? I suppose we shall get land as far as to Transvaal border up to Palla, as it would be absurd to have few miles native territory between us and border.

HARRIS to RHODES

8th November 1895.

Thanks, they do not misunderstand you, but feared if you should have power insist upon it.

11th November 1895.

Private native chiefs sailing intermediate steamer 23rd November. I am returning with Bailey and others 29th November, will it be in time reply by telegraph. Native chiefs and Willoughby acted like pigs.

11th November 1895.

Held an interview with E. Fairfield.

Telegram continues to give details as to the administration of strip of Transvaal border.

E. Fairfield he will advise any natives resident must remove to reserve in the usual way in South East Africa, therefore leaving British

South Africa Company ownership clear except in case of foreign natives it does not affect your arrangement Linchwe Ikanning and Montsioa therefore no native administration between you and Transvaal and you are border authority.

After more details, chiefly geographical, the telegram concludes as follows:—

After consultation with E. Fairfield we have made an offer verbally as follows that we will give up £200,000 in exchange for ownership strip and ownership balance Protectorate as far as regards three native chiefs and with the addition of public buildings and lines at Gaberones as in case of British Bechuanaland to Cape Colony, but we will pay for horses and equipment Bechuanaland Border Police at valuation not at cost price.

RHODES to HARRIS

29th November will be in time.

12th November 1895.

12th November 1895.

I note your verbal offer, £200,000 you must have ownership land in return otherwise besides saving British Government £50,000 a year we shall have got nothing you must consider shareholders. It is humiliating to be utterly beaten by these niggers, they think more of one native at home than the whole of South Africa.

HARRIS to RHODES

13th November 1895.

Native chiefs with Lord Loch and Temperance carried England with them and your repeated instructions to acquire police by 7th November crippled British South Africa Company terribly. Referring to your recent telegram to grant £200,000 and more if necessary to secure date of course we might have done better if we had been given more time.

RHODES to HARRIS

15th November 1895.

High Commissioner in South Africa received this morning boundary reserve from Colonial Office you have got nothing and you have given Matabeleland to Khama. . . . There is nothing got for £200,000 excepting worthless strip along German border. Settlement is a scandal.

HARRIS to RHODES

18th November 1895.

Your telegram of 16th received referring to your telegram of 26th October referring to your telegram of 3rd November referring to your telegram of 5th November, we believed you considered immediate settlement securing administration railway strip with Bechuanaland Police of the utmost importance, and to be secured at any sacrifice. Referring to your telegram of 5th as to final boundary Khama reserve from which we are trying hard to exclude everything within our customs line. Do you know that Colonial Office have never yet brought our administrative line down to customs line?

19th November 1895.

In consequence of your telegram 16th November I shall withhold for the present any definite offer of £200,000 and endeavour to drift and we presume that railway strip and police sufficient for Dr. Jameson plan which you telegraphed was principal object.

RHODES to HARRIS

20th November 1895.

Your telegram of 19th received. Quite understand your difficulty but you must fight for retention country between customs line and the newly proposed boundary. . . .

22nd November 1895.

I want customs line as to £200,000 you can take high tone and let them have it Sir Hercules Robinson recommended £200,000 in the belief we would obtain whole Protectorate Bechuanaland border police . . . been handed over but they are coming down to Mafeking from different stations.

(After "police" there is a word undecipherable.)

HARRIS to RHODES

22nd November 1895.

Held an interview with the Colonial Office will have no difficulty as to our ownership and administration of uninterrupted railway strip. . . . Having agreed to all this and given you Bechuanaland Border Police and Gaberones by date fixed by you is essential to your policy Secretary of State for the Colonies claims indemnity for subsidy forthwith and says our not doing so is breach of faith. We are writing therefore Secretary of State for the Colonies letter giving the £200,000 but subject to our conditions. Do you approve? Reply immediately by telegram.

RHODES to HARRIS

23rd November 1895.

Yes you can give £200,000 we would sooner not have it as I do not wish English people to think we have made pecuniary bargain which is unfair to them I never objected to this part of agreement but I do object to being beaten by three canting natives especially on score temperance when two of them Sebele Bathoen they are known to be utter drunkards the whole thing makes me ashamed of my own people you must take legal opinion whether surrender of £200,000 affects prospectus Bechuanaland Railway Company Limited you could meet difficulty by putting £200,000 B. S. A. Company fund in English consols in the name of trustees.

23rd November 1895.

Confidential Mr. Rhodes says if you like you can read to-day's cable to J. Chamberlain.

HARRIS to RHODES

23rd November 1895.

Our long cable of 22nd November and yours 22nd November crossed. We are forwarding letter to Colonial Office accordingly.

APPENDIX

RHODES to HARRIS

24th November 1895.

Dr. Jameson back from Johannesburg everything right my judgment is it is certainty we think A. Beit (he) must come with you 29th November on score of health you will be just in time. A. Beit to stay with me here and go up with us and the Governor. A. Beit must not consult Phillips who is all right but anxious to do everything himself and he does not wish to play second fiddle inform A. Beit he must come.

HARRIS to RHODES

25th November 1895.

This, although marked "very confidential," solely relates to the settlement of the natives.

RHODES to HARRIS

25th November 1895.

See Flora and get some one to review book *Three Great African Chiefs* by Missionary Lloyd just published by Fisher Unwin.

26th November 1895.

Very confidential of course it is great pleasure to read your cable to J. Chamberlain I as near as possible warned C. J. Rhodes last week from information received know there is great danger Phillips Leonard they can or may be doing business without assistance from British South Africa Company and also independently British flag it would have serious effect on your position here I say this very confidential. You must telegraph present reply Dr. Harris, Monomotapa only Dr. Harris will leave 30 of this month without fail. Flora suggest 16th December celebrate Pretoria district 1880. I will try make best possible terms J. Chamberlain for £200,000 which I was compelled abandon thus could only secure English position.

29th November 1895.

We have given British South Africa Company code to Flora. She has been registered Telephones, London. Register on your side this address telegrams go direct. Keep her well informed.

MISS SHAW to RHODES

10th December 1895.

Can you advise when will you commence the plans, we wish to send at earliest opportunity sealed instructions representative of the London Times European capitals; it is most important using their influence in your favour.

12th December 1895.

Delay dangerous sympathy now complete but will depend very much upon action before European Powers given time (to) enter a protest which as European situation considered serious might paralyze Government: general feeling in the Stock Market very suspicious.

17th December 1895.

Held an interview with Secretary Transvaal, left here on Saturday for Hague Berlin Paris fear in negotiation with these parties. Chamberlain sound in case of interference European Powers but have special reason to believe wishes you must do it immediately.

HARRIS to SHAW

20th December 1895.

Thanks. Are doing our best, but these things take time. Do not alarm Pretoria from London.

27th December 1895.

Everything is postponed until after 6th January. We are ready, but divisions at Johannesburg.

Strictly Confidential.

30th December 1895.

Dr. Jameson moved to assist English in Johannesburg because he received strong letter begging Dr. Jameson to come signed by leading inhabitants. This letter will be telegraphed to you verbatim to-morrow. Meantime do not refer in Press. We are confident of success. Johannesburg united and strong on our side. Dissensions (they) have been stop(ped) except two or three Germans.

30th December 1895.

Following letter was received by Dr. Jameson before he decided to go but if you must not use letter for Press until we cable authority, it is signed by leading inhabitants of Johannesburg.

E. SECCULL or SECRETARY to SHAW

31st December 1895.

You can publish letter.

RHODES to SHAW

30th December 1895.

Inform Chamberlain that I shall get through all right if he supports me, but he must not send cable like he sent to High Commissioner in South Africa. To-day the crux is, I will win, and South Africa will belong to England.

Signature of sender, F. R. Harris for C. J. Rhodes, Premier.

31st December 1895.

Unless you can make Chamberlain instruct the High Commissioner to proceed at once to Johannesburg the whole position is lost. High Commissioner would receive splendid reception, and still turn position to England advantage, but must be instructed by cable immediately. The instructions must be specific as he is weak and will take no responsibility.

Mr. Stead further cites as "still more significant" a telegram from Mr. Garrett, sent on New Year's day, to the Editor of Johannesburg

Star, "You must expect and not misunderstand a Proclamation putting Jameson formally in the wrong. Don't let this weaken or divide you. This is merely for your information."

The argument founded on these documents is developed in "Joseph Chamberlain, Conspirator or Statesman?"—(*Review of Reviews* office).

APPENDIX IV

THE "MISSING TELEGRAMS"

The following is the text of the "missing telegrams" published in the *Independence Belge*:—

FAIRFIELD to HAWKSLEY

COLONIAL OFFICE,
6th May 1896.

I can't find Mead's draft of the private assurance about the Charter, but there is Lord Selborne's version of it, and it seems to me the same thing. "The assurance is strictly private. Nothing is intended versus the Charter pending an enquiry (if any) after judicial proceedings." You are aware that Chamberlain intends to enlarge in his speech, on the advantage of development by Company to development by Government, in countries like Matabeleland. You are aware that Chamberlain wishes the announcement of an acceptance to be made by the Company, and before Friday's debate. Labby evidently does not intend to press his questions to-morrow. I don't know about John Ellis, but he will probably also not press.—Yours truly,

E. FAIRFIELD.

7th May 1896.

Dear Hawksley,—Referring to my other letter of to-day, I have to say that if the Board arrives at any other decision than that of immediate acceptance of resignations and immediate publications, thereupon my letter of yesterday in which I quote the minute of Lord Selborne, is withdrawn. It is simply *nul et non avenu*. It related to a supposed state of facts which, in the event contemplated, will be non-existent.—Yours truly,

E. FAIRFIELD.

HAWKSLEY to FAIRFIELD

30 MINCING LANE, E.C.,
22nd July 1896.

My Dear Fairfield,—Is the rumour true that I hear to the effect that the Government have decided the appointment of a Select Committee of the House of Commons to enquire into the circumstances of Jameson's action in December last? If so, I suppose it will be possible for the views of the directors to be to some extent considered in appointing some of the members? In this case may I suggest the names of

Carson, Q.C., Cripps, Q.C., George Wyndham? Will it be possible to have an opportunity of discussing with you the terms of reference to the Select Committee?
BOURCHIER HAWKSLEY.

(Tel.) HAWKSLEY to BEIT

To Beit, Prince's Chambers, Pall Mall

27th July 1896.

Just come in and find your tel.

Have seen Bourke, Wyndham, and Fairfield. Doing all possible to secure Wyndham as well as chartered nominee. Regret impossible to call before dinner, but shall be at Burlington between eleven and twelve.
HAWKSLEY.

(Tel.) HAWKSLEY to FAIRFIELD

1st August 1896.

To Fairfield, 7 Park Place, St. James

Best thanks for note and all your trouble. Let me know any difficulties or change as to constitution of Committee. Could call this afternoon if desired.
HAWKSLEY.

(Letter) HAWKSLEY to JACKSON

30 MINCING LANE,
2nd April 1897.

Dear Sir,—I send you memo. about Sir J. Willoughby. Will you put the points in this memo. to him, and also first paragraphs in the enclosed print. With regard to the official report, it does not seem necessary that this should be read through, but Sir John will mark certain paragraphs and read them. I am giving Mr. Nicholson further prints for circulation among the Committee.

BOURCHIER F. HAWKSLEY.

To the Right Hon. W. Lawies Jackson, M.P.

BIGHAM to HAWKSLEY

GOLDSMITH'S BUILDINGS, TEMPLE,
7th August 1897.

Dear Mr. Hawksley,—Can Mr. C. Leonard come down to the House of Commons to-morrow at five o'clock? The Committee meets (privately) at half-past four in Colonel Legge's room, and I could see Leonard immediately after the meeting breaks up.—Yours truly,

JOHN C. BIGHAM.

HAWKSLEY to FAIRFIELD

30 MINCING LANE, E.C.,
15th June 1896.

My Dear Fairfield,—Referring to your letter of the 9th, you will remember my letter to you of the 6th covering the copies of cablegrams stated. These copies were sent for confidential perusal and return. I do not think I am at liberty to assent to any use being made of the copies until I have had the opportunity of communicating with Rhodes. Shall I cable him?—Believe me,
BOURCHIER F. HAWKSLEY.

HAWKSLEY to MAGUIRE

30 MINCING LANE, E.C.,
19th February 1897.

My Dear Maguire,—As far as I can trace to-night, but without exhaustive search, you and Harris cabled Rhodes 13th August 1895. Harris and Beit on 17th August. Beit cabled 26th and 28th November, and of course you will remember your telegrams 20th and 21st December. I think, but cannot be certain, that Grey and Harris both sent cable 2nd August 1895; and you remember on 4th November 1895 Grey registered his cable address "Gothical," and it was cabled to Capetown. I do not know whether, after the receipt of this cable advice, Rhodes did at any time cable direct to Grey. I need not say that very many of the cables, although sent by Harris, were settled in consultation, even if ultimately sent in the name of Harris alone. I will consider this position further against Monday.

BOURCHIER F. HAWKSLEY.

HAWKSLEY to EARL GREY

30 MINCING LANE,
20th February 1897.

My Dear Grey,—Thanks for your letter of the 9th, which I read with great interest. You will, of course, have heard that the Committee was re-appointed, and has got to work. I send you official prints of the evidence already taken. Rhodes has done very well, and I think he will come out on top. He was nervous the first day, though his evidence was good even then. Yesterday he was simply splendid. I do not think we are by any means out of the wood, but there does seem an off-chance of the plea of public interest being recognised, and the cables of the last half of 1895, or rather the negotiations of that period, not being disclosed, though I am bound to say that, personally, I think the balance of probability is that they will have to come out. If they do Mr. Chamberlain will have no one but himself to thank. I am very sorry that I have been such a bad correspondent, but really the work and anxiety of the last fifteen months or nearly two years, that is since Harris came to England on the subject of the Protectorate in July 1895, has been most trying, and I sometimes think that even my constitution will not stand it much longer, though happily I am still very well. I will try and write you more fully next time.—Believe me,

BOURCHIER F. HAWKSLEY.

P.S.—Rhodes has received your letter and cable about Lowley .
(? Lawley).

To the Rt. Hon. Earl Grey.

(Tel.) HAWKSLEY to HARRIS

16th February 1897.

Dr. Harris, Adelphi Hotel, Liverpool.

Just received your wire, which I do not understand. You and I understand and appreciate Jim better than any one else. We must not increase but allay any feeling. We can talk of this when we meet J and R this afternoon.

HAWKSLEY.

(Tel.) JAMESON to HAWKSLEY

MARGATE,
27th March 1897.

Handed in at West Post Office at 9.21 P.M. Received here 9.36 P.M.
To Hawksley, Cliftonville Hotel, Margate.

Had an hour with Johnny. He will be all right. Wyndham promises not to leave it till he succeeds. I shall be back on Tuesday morning.
JAMESON.

(Tel.) HAWKSLEY to WILLOUGHBY

Wednesday morning, eleven o'clock,
7th April 1897.

To Sir J. Willoughby, 2 Down Street, Piccadilly.

I think you said you were coming to the city to-day. Could you and the Doctor come to me here at or after four? We ought, in anticipation of consultation to-morrow, to have strict business talk without interruption by others. I think I see way out. Please wire if you cannot both come. Shall I find you both in and alone at eleven o'clock to-night?

HAWKSLEY.

Tel. to HAWKSLEY

FUNCHAL,
7th April 1897.

To Hawksley, London.

As to Frank's letter, all I know is that in Matabeleland he told me that in his letter to Jameson he never told him he would meet him at Krugersdorp. He said they all in Johannesburg thought Jameson would get in without opposition. I sometimes think dispatch may have been tampered with, as it was everything to delay Jameson at Krugersdorp. Show this to Frank and Phillips.

MRS. R. J. CHAMBERLAIN to HAWKSLEY

[Private.]

39 CADOGAN SQUARE, LONDON, S.W.,
No date.

Dear Mr. Hawksley,—So many thanks for yours, I knew you would feel as I do, we owe Allingham a great deal, and must give the brother any (or every) help we could. I will tell him to make an appointment to come and see you one morning. He sails at the beginning of next month.

I quite agree with you that very little good, if any, can be done with J. C. now. He knows what he has to expect, and will have had plenty of time to think it over by the time C. J. R. arrives.

As long as you make it impossible for C. J. R. to give away Jameson, he will be loyal to him, but I am sure, from what I have said, that at one time Rhodes contemplated sacrificing the Doctor. The Doctor must never know this, and if any one can keep Rhodes up to the mark you can.

I want a talk with you one day about the Doctor's future to see what you think of my plan, which he already has taken kindly to.

You do not know how grateful I am to you for all you have done for him, but I think perhaps you can partly understand how much it means to me to feel he has got a friend like you. Can I come and see you one morning about half-past one?—Yours ever sincerely,

R. J. CHAMBERLAIN,
(Colonial Secretary's sister-in-law).

SIR MATTHEW WHITE RIDLEY to GEORGINA, LADY DUDLEY

[Private.]

CASSIOBURY, WATFORD, HERTS,
16th December 1896.

Dear Lady Dudley,—The task of refusing to advise the release of these officers is one of the most distasteful ones I have had. But I have got more than my personal feelings to consider, and, of course, I hear both sides of the question, and there is another side I can assure you, hard though you may think it to realise. It would have made my Christmas happier had I seen my way to advise the release of the only two who remain after it; but I am sorry to say that I do not feel that I can do it, nor do I believe I should have the support of my colleagues if I brought the proposal before them. I have been very anxious to take this line if I could, but this is the conclusion to which I have felt myself forced. I can only ask you to believe that if I cannot comply with the wishes of yourself and other friends of theirs, it is not owing to hardness of heart, but to the belief that duty compels me otherwise. But it is very hateful to me.—Very truly,

M. W. RIDLEY.

APPENDIX V

THE BOER GENERALS' APPEAL

The following is the text of the Appeal issued in the *Nieuwe Rotterdamsche Courant* on 25th September 1902 by the Boer Generals:—

(Translation.)

It will be fresh in the recollection of the World how, after an anxious struggle for their independence, lasting more than two and a half years, the Boers were at last obliged to accept the terms of surrender placed before them through the intermedium of their delegates at Vereeniging by the Government of His Britannic Majesty King Edward the Seventh.

At the same time we were deputed by these Representatives to proceed to England in order, in the first place, to make an appeal to our new Government to alleviate the awful distress which exists throughout the length and breadth of the new Colonies. Should we not be successful in this, then we were to make an appeal to the Civilised World's humanity for charitable contributions.

As we have up to the present not succeeded in inducing the British

Government to grant further assistance to our people, and as the needs are indescribably great, no other course is open to us but to apply to the peoples of Europe and America.

During the critical days of struggle it was sweet to us and ours to receive continually marks of sympathy from all quarters. The financial and other aids for our wives and our children in the Concentration Camps and for the prisoners of war in all parts of the World contributed immeasurably to lighten the lot of these unhappy ones; and we take this opportunity to express our heartfelt thanks, in the name of the people of the late Republics, to all those who have so charitably assisted in the past. The small Boer people can never forget the help extended to them in the dark hour of their trial.

The people of the two Republics were prepared to sacrifice everything for their independence; and now that the struggle is over they stand totally ruined. Although we have not had the opportunity of making up an exact statement of the devastation brought about in the two Republics, we are convinced from personal knowledge that during the war at least thirty thousand houses on the Boer farms, and, further, a number of villages, were burned or destroyed by the British.

Our dwellings, with the furniture, have been burned or destroyed, our orchards felled, all agricultural implements broken up, mills destroyed, every living animal driven off or killed—nothing, alas! was left to us. The land is a desert. Besides, the war has claimed many victims, and the land resounds with the weeping of helpless widows and orphans.

Moreover, we need not remind you of how much will be necessary in future for the education of the children of our Burghers.

In this great distress we now turn to the World with our appeal to help, with charitable contributions, our widows and orphans, our maimed and destitute, and to have our children properly educated.

We point to the terrible consequences of the war in order to bring our great needs to the knowledge of the World, and in no wise for the purpose of stirring up feeling again. The sword now rests in its scabbard, and all disputes are silent in the presence of such great misery.

The damage caused by the war is indescribably great, so that the small amount which England will contribute, according to the terms of surrender, would, even if multiplied tenfold, be totally insufficient to cover even the war losses.

The widows and orphans, the maimed and destitute, and our children, for whom alone we make this appeal, will, therefore, receive little, and in the most cases nothing, from this source.

All contributions will be placed to a fund to be called "The General Boer Relief Fund"; and this fund will be used exclusively now, and in the future, for the needs of those persons for whom it is collected.

We kindly request the cordial co-operation of the existing Committees in the various countries of Europe and America; and we are now on the point of visiting these countries successively in order to organise this matter properly.

LOUIS BOTHA.
C. R. DE WET.
J. H. DE LA REY.

APPENDIX VI

WHOLESALE AND RETAIL PRICES

The Board of Trade on August 1, 1903, issued a Report, prepared by Mr. H. Llewellyn Smith, Deputy Controller General and Labour Commissioner of the Commercial, Labour, and Statistical Department, embodying the results of an investigation carried out by that department with regard to the course of prices in the United Kingdom. At the outset Mr. Smith explained that the Inquiry, which had been of a somewhat elaborate description, had occupied several years, and although the results were naturally more complete with regard to some branches of the subject than others, it had been thought desirable to publish the results arrived at without further delay, having regard to the great amount of public attention then being devoted to all questions affecting prices of commodities, and the cost of living of the working classes. The first portion of the volume—some 212 pages—consists of a series of comparative tables of wholesale prices over a period of years. Some idea of the scope of the Inquiry may be obtained when it is mentioned that no fewer than 188 tables are included in this Section, relating to coal, iron and steel, and other metals; cotton, wool, and other textiles; corn, flour, cattle, and meat; dairy produce and eggs; fish, sugar, and other articles of food and drink; oils, seeds, building materials, and a number of miscellaneous articles. The Section of the volume relating to retail prices, the Deputy Controller General remarks, is naturally more restricted in its extent, and he proceeds to say that, so far as is known, this is the first attempt of the kind to compile continuous records of the retail prices of commodities in the United Kingdom in an official Report. The available data are much less abundant than in the case of wholesale prices, and a considerable portion of the Section—which occupies 211 pages—represents original research. In this connection special attention is directed to the records of bread prices during the whole of the Nineteenth Century. Appended to the tables of retail prices is a section showing the prices actually paid during the years 1900–1901 by a number of families for some of the principal commodities which they consumed.

Having explained the method upon which the tables have been prepared, Mr. Smith says it is not intended in his Introduction to the Report to comment in detail on the changes of prices in particular articles shown in the tables and charts, and adds:—

“As regards the level of prices in 1902, it may be stated generally that no great change took place in the level of average prices as compared with 1901, though on the whole there was a slight reduction, the average level for the two years, compared with the standard year 1871, being 78.8 in 1902, and 79.2 in 1901. Taking the main groups of articles separately, we find that there was a marked fall in the coal and metals group, viz., from 124.7 to 114.9. The raw materials for textile industries show little change. There was a rise from 75.3 to

76.7 in the average price in the food and drink group, which was almost entirely due to the rise in the price of corn and meat; most of the other principal articles, including sugar, showing a fall. The following summary table shows the average price of the main groups of articles in 1902, compared with the average of the preceding ten years.

Group.	Index Number in 1902. (1871=100.)	Mean of Index Numbers for 1892-1901. (1871=100.)
Coal and Metals	114.9	101.0
Textiles (Raw Materials)	65.0	62.3
Food and Drink	76.7	75.4
I. Corn, &c.,	63.7	65.1
II. Meat, Fish, and Dairy Produce	91.4	88.2
III. Sugar, Tea, &c.	46.1	56.6
Miscellaneous	69.2	66.8
All Groups	78.8	75.8

It will be seen from the above table that in each of the main groups the prices of 1902 were higher than the average of the preceding ten years, the greatest rise being in the coal and metals group, viz., from 101.0 to 114.9, or more than 13 per cent. In the food and drink group there was a considerable rise in the prices of meat, fish, and dairy produce, which, however, was more than counterbalanced by the fall in the price of cereals, tea, sugar, &c. The rise in the total index number for 1902, as compared with the average for 1892-1901, was 3 per cent on the standard. If we turn to the tables of retail prices, which are hardly sufficiently complete to warrant treatment by the method of index numbers in an official publication like the present, the most important changes in 1902 to be noted are the decreases in the prices of coal, sugar, and butter, and the considerable rise in the price of beef. The average reduction in the price of coal, as compared with 1901, was 1s. per ton. As compared with the price in 1900, the reduction was much more considerable, amounting to about 4s. 3d. per ton on the average. In 1900, however, the retail price of coal was higher than in any year since 1873. The retail price of sugar showed a tendency to fall during 1902, but it was still appreciably higher than in 1900. Sugar, however, is still less than half its price thirty years ago. During the year the price of butter was, on the whole, less than in 1901 by about 1d. per lb. The most considerable rise in retail prices in 1902 was undoubtedly that of beef, both British and foreign, which commenced in the month of May and continued gradually until in October the prices for all the best portions were 1½d. and 2d. per lb. in excess of the prices at the same date in 1901. The prices of British and Colonial mutton and of pork were also advanced, but the rise in these cases was not nearly so great; that of mutton being about ½d. per lb., and that of pork 1d. per lb. There was a slight fall in the price of most kinds of farinaceous foods during 1902."

There are eleven charts. The first shows the changes in the level of general prices during the period 1801-1902. It is based on the index numbers of Jevons for 1801-1846, of Sauerbeck for 1846-1871, and of the Board of Trade for the subsequent period. The year 1871 is taken as the basis of the chart, and the prices in this year are represented by the figure 100. There is a region below the 100 line, spaced out into compartments representing a quinquennial period and 20 per cent down to nothing; and a similar spaced region above the 100 line, rising to 220 per cent. Thus, according to whether the line of prices is above or below the 1871 line of 100, it is easy to read when and to what extent variations in the price level occurred. It starts in 1800 70 per cent above the 100 line, and after rather violent fluctuations, rises to nearly 90 per cent in 1805, and by 1815 drops to 10 per cent above the 100. There was then a slight rise, but until 1840 the level was, roughly speaking, near to the hundred line—a few points above or below it. In 1840-1845 there was a fall 10 per cent below the hundred line, and more than 10 per cent until 1850. During the 'Sixties the level regained the 100 line almost uniformly, and in 1870 rose some 10 per cent above it. Then, in 1880, it fell just below the line. In 1885-1890 it was 20 per cent below, and, with variations of about 5 per cent, at the extreme point, it kept at the 20 per cent level—beneath the 1871 standard—until 1900. There was then a slight rise, and again a fall, until, in 1902, the level of prices was just over 20 per cent below the 100. Thus, whereas the line begins in 1800 70 per cent above the 1871 100, it ends in 1902 a little more than 20 per cent beneath it—a difference of something more than 90 per cent.

The charts of wholesale and market prices show the percentage fluctuations in prices in 1871-1902. The first deals with coal and metals, represented by a black line, and with textiles (raw materials) by a faint line. Here again, as with all the subsequent charts, the comparison is with 1871. That is to say, the prices of 1871 are represented by a line, 100. The variations of the price level are to be read by percentages above or below that standard. Thus the coal and metals line starts at 100 in 1870, rises 100 per cent, and falls again to 10 per cent (above the standard) by 1875. Still falling in the next five years, it drops to 10 per cent below the 100, and after a trifling rise to 20 per cent. But by 1890 it ascends to about 15 per cent above the standard, drops again by 1895 to nearly 15 per cent below, and then rises without a break to 50 per cent above in 1900, dropping to 18 per cent above in 1902. The price level of textiles is less irregular. Rising at once 15 per cent above, it falls by 1875 to the 100 level, and then falls continuously, with spasmodic efforts at recovery, to 40 per cent below the 100 line in 1895, finishing at about 35 per cent below in 1902.

Dealing in the same way with food and drink, the next chart shows that the course of prices from 1870 to 1880 was above the 100 line (about 10 per cent for the most part), then kept along the 100 line for a few years and dropped, falling in 1885-1890 20 per cent below the level. Its course was fairly even for about five years, when there was a further fall to 30 per cent below in 1896, the line finishing in 1902 about 23 per cent below the 100.

Succeeding charts deal, not with groups of products, but individual

products. Thus, Chart IV, in the order of this description of the diagrams, deals with coal and copper. Starting at 100 level in 1871, the coal line races up to 115 per cent above that line, and falls to 40 per cent above by 1875 and 10 per cent below by 1880. It continued at about that level until 1888, when, by 1890, it rises 30 per cent above the 100, falls to 100 by 1895, drops 10 per cent below 100 by 1897, and then rises continuously to 70 per cent above the 100 by 1900, falling again to 25 per cent above 100 by 1902. The copper line also shows violent fluctuations, with this difference—it never reaches 20 per cent above the 100, and then only in 1870–1875, and again about 1900, while it falls to nearly 40 per cent below the 100 in 1887 and 1893–1894. The chart showing the fluctuations in prices in pig-iron and other metals is not dissimilar in appearance. That is to say, the variations in the rise and fall have a general resemblance to those in the coal and copper lines; the percentages are different, but there is a correspondence between them sufficiently close to render detailed description needless. Much the same may be said of the two succeeding charts showing the fluctuations in British wool, imported wool, jute, cotton, silk, and flax. To describe the first three is to describe also the latter group. Nor need we differentiate between the textile lines, except to say that British wool rises 30 per cent above the 100 line in 1870–1875, and, with occasional sharp attempts at recovery, falls to over 40 per cent below the 100 by 1885, and thereafter shows a gradual fall until it drops to over 60 per cent below the 100 in 1902. Broadly stated, all the textiles named show a fall below the 100—imported wool and jute each finishing, in 1902, 40 per cent below, cotton nearly 30 per cent below, silk nearly 50 per cent, and flax 5 per cent.

Two charts dealing with food and drink call for detailed description. The basis, of course, is the prices of 1871, as represented by 100. Taking British corn, it rises 15 per cent above the 100 level by 1874, falls 5 per cent below by 1876, rises 5 per cent above about the following year, and falls 15 per cent below by 1879. Thereafter there is a gradual drop to 25 per cent by 1885, and to 35 per cent by 1888. After slight fluctuations, there is a rise to something over 30 per cent (below the 100) in 1891, then a drop to over 45 per cent by 1895, a rise to 30 per cent (below the 100) by 1897, again a sharp but short fall, and then a recovery, the line finishing in 1902 about 32 per cent below the 100. The price levels of imported corn and of maize for the greater part of the period follow the British corn line very closely. It is necessary only to say that the maize line falls nearly 20 per cent lower than the British corn line during 1875–1880. The next chart shows potatoes, rice, and hops. The price level of potatoes rose 20 per cent above the 100 line in 1875–1880, and thereafter dropped, with successive efforts at recovery, until in 1902 it reached about 42 per cent below the 100 level. The rice line is somewhat similar, though there was no marked rise above the 100. The level ends nearly 40 per cent below the 100. But the hops line shows remarkable fluctuations. In 1874 the price was nearly 60 per cent above the 100. In 1877 it was 10 per cent below, and then it ascended sharply until it was 125 per cent above the 100 in 1882. The fall was equally rapid and continuous, for by 1886 it was 30 per cent below the 100. It recovered to nearly 40 per cent above in 1893, fell again to 30 per cent below in 1895, rose to 10 per cent

above in 1899, and then fell, finishing in 1902 at a little more than the 1871 level—100.

In regard to meat, fish, and dairy produce, one chart gives the fluctuations of beef, mutton, and bacon, and another of fish, eggs, and milk. Beef rose 15 per cent above the 100 in the early 'Seventies, varied about at that level until 1878, twice fell nearly to the 100 in the next few years, and rose again in about 1883 to the level of the early 'Seventies. Then there was a sharp and continuous fall to about 18 per cent below the 100 in 1887, a quick rise to 10 per cent (below), and a straight run at that until 1891, when the line jerks spasmodically downwards until, in 1897, it touches 20 per cent below the 100, rising again to 10 per cent below in 1900, and finishing in 1902 a little higher. The bacon line shows more violent fluctuations, the fall being nearly 30 per cent below the 100 in 1875-1880. After a succession of sharp oscillations it ends, in 1902, 10 per cent above the 100—or 1871 price. As for mutton, the price level is above that of beef—in the 1880-1885 period over 20 per cent above the 100, then falling to the 100 level, and since 1890 keeping below it, occasionally touching it and ending just below it. The fish chart shows sharp and sudden ascents and descents in 1870-1880. In the latter year the price level was nearly 20 per cent above the 100. Then it fell to over 20 per cent below, and except for a rise to nearly the 100 in 1891, it kept until 1895 in the neighbourhood of 20 per cent below, and after a fall beneath that level in 1896 rose sharply, reaching nearly 20 per cent above in 1898. Then it fell again below the 100 in 1900-1902.

Tea shows a remarkable fall in the price level, the line dropping to 20 per cent below the 100 by 1880, and then, taking an almost uniform downward course until 1902, it reaches about 56 per cent below the 100. Coffee, however, shows violent fluctuations, though always above the 100 level until 1901. It finishes in 1902 10 per cent below the 100. The fluctuations in the price level of tobacco are never more than 7 per cent or 8 per cent above the 100, or 18 per cent below, and the line ends in 1902 9 per cent below the 100. With regard to drink, the chart shows only wine, sugar, and rum, not beer. The price level of wine has been fairly uniform since 1870 until 1897, the sharpest variation being 10 per cent below the 100. In about the year named there was a fall, and it continued until the line ends in 1902 about 23 per cent below the 100. Two charts yet remain to be noticed. One deals with linseed, cottonseed, and petroleum; and the other with hides, hewn fir, and bricks. Linseed is continuously below the 100 from 1874, its lowest point being about 42 per cent in 1886. Then there was a sharp rise, and it finishes in 1902 12 per cent below the 100. Cottonseed, roughly, followed the same course. In petroleum, however, there was a very marked fall. In 1880-1885 it was 60 per cent below the 100, and in 1894 nearly 80 per cent, since when it has risen to about 72 per cent below the 100. The price level of hides fluctuated from 20 per cent above the 100 in 1870-1875 to 25 per cent below in 1890-1895, and now stands 15 per cent below the 100. The fluctuations in hewn fir are not remarkable. But those in bricks are worth noting. In 1870-1875 the price level was 30 per cent above the 100. In 1885-1890 it was 40 per cent below, and, roughly speaking, it has since kept in that neighbourhood.

In an Appendix Mr. Smith indicated the sources from which the

information contained in his Report had been derived. The tables, he said, were for the most part of the nature of a compilation from the numerous statistics of prices contained in various official Reports and Papers published during the century, although in many cases they had been brought down to date by direct inquiries at the sources from which the materials originally published were obtained. Unofficial records of prices had also been utilised in the case of certain articles. In regard to wholesale prices, the values in the case of imports were, since 1871, based on the declarations of the importer. From 1854 to 1870 the values were based on officially-computed average annual prices which, in the case of the more important articles, were obtained separately for each of the principal countries of origin. These annual prices were, for the most part, those of the London and Liverpool markets. Before 1854, it is explained, no average values could be given, the official valuation of the various articles being made on a basis of a list of prices fixed so far back as 1694. How incorrect this system had become in practice was illustrated by pointing out that the total value of the imports in 1854 amounted at the computed prices to 152½ millions, whilst at the old official prices it would only have been 124¼ millions. None of the tables giving average import values went back, therefore, beyond 1854. In the case of exports the system of declared values had been in force throughout the century; but various difficulties occurred in tracing back the average value of the same article throughout so long a period, arising, to a large extent, from changes in classification. The tables giving export values went back, therefore, to various dates, the earliest being those giving values of cotton yarn in 1814. Numerous Reports and Returns giving the contract prices of certain articles at St. Thomas's, Greenwich, and Bethlem Royal Hospital and the Asylums of the London County Council had been utilised, these tables being of special interest, as they covered in some cases the whole, or nearly the whole, of the past century, and represented the requirements throughout that period of a similar class of consumer. The figures relating to the ascertained values of coal and iron had been obtained from accountants in different districts. Finally, it was pointed out that the tables of retail prices related exclusively to London, with the exception of a few giving the prices of bread in Edinburgh and Dublin, and certain English and Scottish provincial towns.

APPENDIX VII

YIELD OF INCOME-TAX

The forty-sixth Report of the Commissioners of His Majesty's Inland Revenue for the year ending March 31, 1903, issued as a Parliamentary Blue Book, is a volume of more than two hundred pages. The gross Inland Revenue receipts for the year, including a balance on April 1, 1902, of £3,394,410, were £116,303,124. Of this the following sums were collected by the Inland Revenue, Customs, and the Post Office:—

Inland Revenue Duties—Excise, £38,424,200; Estate, £18,080,814; Stamp, £8,257,969; Land Tax, £801,969; Inhabited House Duty, £1,835,053; Income-tax, £41,069,559, making a sum so collected of £108,469,564. The gross receipts of Duties collected by the Inland Revenue Department on behalf of other Departments (including Fee and Patent Stamps, £988,222) amounted to £4,173,918, while the extra receipts in aid of the Vote were £14,845, and the deposits for Duties, £250,387.

The receipts were thus disposed of:—Payments to Exchequer in respect of Inland Revenue Duties—Excise, £32,100,000; Estate, £13,850,000; Stamp Duties, £8,200,000; Land Tax, £725,000; Inhabited House Duty, £1,825,000; Income-tax, £38,800,000, making £95,500,000. The payments to Local Taxation Accounts reached a sum of £9,431,146, of which £5,314,767 came from Excise, and £4,116,379 from Estate Duties. The payments to other Departments in respect of Duties collected on their behalf by the Inland Revenue Department amounted to £3,170,285; and payments to the Exchequer in respect of miscellaneous revenue (Fee and Patent Stamps) to £978,000. Payments to appropriations in aid of the Vote were the same as the receipts under this heading, namely, £14,845; drawbacks, discounts, and repayments amounted to £3,763,300; and the balance on March 31, 1903, was £3,445,548. Of the gross receipts of £108,469,564 above referred to, the following amounts were collected by the three Departments concerned:—Inland Revenue, £99,255,998; Customs, £6,732,960; Post Office, £2,480,606. The gross receipts of £4,173,918 collected by the Inland Revenue on behalf of other Departments comprised £1185 for the Board of Intermediate Education, Ireland; £53,794 for the Board of Trade (Bankruptcy, &c.); £1863 for the County Courts, Ireland; £2,683,771 for the Customs; £1022 for the Local Registration of Title Office, Ireland; £186,503 for the National Debt Commissioners; £237,197 for the Post Office; £12,610 for the Receiver of Metropolitan Police; £7751 for the Stationery Office; and £988,222 in respect of Fee and Patent Stamps. Comparing 1902–1903 with the previous year 1901–1902, the Commissioners point out that there was an increase in the net receipt of the total revenue (including that allocated to the Local Taxation Accounts) of £3,828,849. This increase was mainly attributable to the Income-tax. During the period 1892–1893 to 1902–1903, the net receipt of the Duties under their administration increased by £42,912,000, or 69 per cent. The revenue from Excise was responsible for £7,588,000; Estate, &c., Duties, £7,128,000; Stamps, £2,818,000; Inhabited House Duty, £422,000; Income-tax, £25,220,000. Land Tax showed a decrease of £264,000.

The total net receipt under the head of Excise Duties in the year was £37,465,259 (of which £32,147,872 was allocated to the Treasury and £5,317,387 to the Local Taxation Accounts), showing an increase, compared with the net receipt of the previous year, of £609,531, or 1.6 per cent. The Beer Duty produced £13,706,012, showing a decrease of £12,426 compared with 1901–1902; the Spirit Duty yielded £19,033,296, an increase of £542,517; Glucose Duty, £88,603, an increase of £24,113; Licenses, £4,259,480, an increase of £34,741; charges on deliveries from bonded warehouses showed a slight increase of £347; Railway Passenger Duty amounted to £369,548, an increase of

£19,685. Coffee mixture labels showed an increase of £613, and there was the small increase of £33 in the duties on home-grown tobacco; while in the Chicory Duty there was a decrease of £92. The net receipt of the Beer Duty was £13,706,012 (of which £13,263,890 was allocated to the Treasury, and £442,122 to the Local Taxation Account), a net decrease of £12,426, as compared with the net receipt for 1901-1902. Of the net receipt of Duty from Excise Licences in the year—£4,259,480—the sum of £253,152 was allocated to the Treasury, and £4,006,328 to the Local Taxation Accounts. This figure showed an increase of £34,741 over the previous year, and it is pointed out that, in the period 1892-1893 to 1902-1903, the net receipt from Licences increased from £3,668,000 to £4,259,000, a difference of £591,000, or 16 per cent.

Under the heading of Estate, &c., Duties, the Commissioners state:—

The amount actually received in the financial year was £18,153,379, as compared with £18,334,695 in 1901-1902, a decrease of £181,316. During the year 1902-1903 the amounts finally appropriated to the several sub-heads of Death Duty were as follow:—Estate Duty (including Settlement Estate Duty), £13,820,404; Probate (and Inventory) Duty, £62,987; Account Duty, £6373; Temporary Estate Duty, £12,099; Legacy Duty, £3,001,793; Succession Duty, £965,673; Corporation Duty, £43,848. Total of classified receipt, £17,913,177. This total is £240,202 less than the amount actually received in the year, the reason being that the unclassified deposits received exceeded by that sum the final appropriations during the year of funds on deposit. Of the above total of £17,913,177, the sum of £13,711,675 was due to the Exchequer, and £4,201,502 to the Local Taxation Accounts. The latter sum included £1,510,578, payable in aid of the Rates on Agricultural Land under the Agricultural Rates Act, 1896, and £119,291 for Moiety of Rates under Tithe Rent Charge (Rates) Act, 1899. The Estate Duty (1894) (including Settlement Estate Duty) yielded £13,820,404, as against £13,908,490 in 1901-1902. The Exchequer was entitled to £9,653,582, as against £9,693,600, and the Local Taxation Accounts £4,166,822, as against £4,214,890. The figures £13,820,404 and £13,908,490 include the Settlement Estate Duty, which produced £663,573, as against £607,568. The amount of the local Death Duties payable in British Possessions and allowed as a deduction from the Estate Duty paid in this country in respect of the same property was £22,559, as compared with £21,814 in 1901-1902. The Probate (and Inventory) Duty and Account Duty, which are applicable only to property passing by deaths occurring prior to August 2, 1894, and are being gradually superseded by the Estate Duty, produced £69,360 in 1902-1903, of which £34,680 was due to the Exchequer, and a similar sum to the Local Taxation Accounts. In order to arrive at a complete account of the produce of the Estate Duty and kindred duties paid during the year, it is necessary to combine the receipt from Estate Duty with that from the old duties which correspond to it in character, namely, Probate (and Inventory) Duty and Account Duty. The aggregate receipt from these sources was £13,889,764 in 1902-1903, and £14,004,484 in the preceding year. Of the former total, £9,688,262 was due to the Exchequer and £4,201,502 to the Local Taxation Accounts, as against £9,741,597 and £4,262,887 respectively in 1901-1902. To the aggregate receipt, property paying duty as Personalty contributed £10,549,340, and that paying as Realty contributed £3,340,424. The Exchequer was entitled to the whole of the latter sum; whilst of the former £6,347,838 was due to the Exchequer, and £4,201,502 to the Local Taxation Accounts. The number of estates subject to the above duties was 63,929 in 1902-1903, and 63,140 in 1901-1902.

The capital value represented by these duties was as follows:—Realty paying Estate Duty in 1901-1902, £61,564,000; in 1902-1903, £64,436,000, or an increase of £2,872,000; personalty paying Estate Duty in 1901-1902, £211,006,000; in 1902-1903, £211,148,000, an increase of £142,000; personalty paying Probate, &c., Duties, 1901-1902, £3,189,000; 1902-1903, £2,336,000, a decrease of £853,000.

The total capital paying Estate Duty was, in 1901-1902, £272,570,000, and in 1902-1903, £275,584,000, or an increase of £3,014,000. The Report adds:—

Realty shows an increase of £2,872,000 as compared with 1901-1902. Of the £64,436,000 on which duty was paid in the year, £50,663,000 represents the capital on which duty was paid in a lump sum, and £13,773,000 represents that portion of the capital value of realty paying duty by instalments on which duty was paid during the year. If an estate valued at £80,000 is paying the duty by eight annual instalments, the capital paying in each year would be £10,000. As regards the valuation of realty, the average number of years' purchase of the gross annual value was, in the case of agricultural property, about 18; in the case of house property, about 15; and in the case of ground-rents and similar charges on property about 25. The number of estates (personalty and realty) valued at more than £250,000 was 68 in 1902-1903, as compared with 69 in 1901-1902. The Temporary Estate Duty, which, like the Probate and Account Duties, is gradually disappearing, amounted to £12,099, of which £9233 was derived from realty, and £2866 from personalty. The net receipt under the head of Legacy Duty was £3,001,793 in 1902-1903, and £3,133,588 in 1901-1902. The capital subject to Legacy Duty was £66,017,881 in 1902-1903, and £71,455,232 in the preceding year. Succession Duty produced £965,673 in 1902-1903, and £1,308,936 in 1901-1902. The capital paying the duty was £22,803,029 in 1902-1903, and £26,521,039 in 1901-1902. The total estimated value of the property exempted from Death Duties in the course of the year ended March 31, 1903, in respect of bequests to National and Municipal Institutions under Section 15 (2) of the Finance Act, 1894, was £25,890.

With regard to the Income-tax, the Commissioners note with satisfaction that, notwithstanding the high rate of 1s. 3d. in the pound, the yield of the tax per penny again shows a substantial advance. Indeed, the growth of the Income-tax in recent years, as indicated by the Income-tax Returns, has been so remarkable that they make this fact their apology for offering some observations on the subject. Thus, taking the series of the eight years ending 1901-1902, and comparing it with an equal series in the period of the greatest prosperity in past times, namely, the eight years from 1868-1869 to 1875-1876, the following results are obtained:—

In 1868-1869 the gross income brought under the review of the Department was £398,794,000, and the income on which tax was received was £344,772,000; in 1875-1876 the figures were respectively £554,376,000 and £474,740,000, an increase in the gross income of £145,582,000, or 36.5 per cent, and an increase on the income on which tax was received of £129,968,000, or 37.7 per cent. In 1894-1895 the gross income was £657,097,000, and the income on which tax was received £475,680,000. In 1901-1902 the gross income was £866,993,000, and income on which tax was received £607,551,000, being an increase of £209,896,000, or 31.9 per cent on the gross, and £131,871,000, or 27.7 per cent on the taxed income. The increase of taxed income as compared with the increase of gross income is much less in the later period than in the earlier, a feature which is, of course, due to the greater relief from taxation given by the Finance Acts of 1894 and 1898. It is, however, by the figures of gross income that national prosperity is to be measured, and on these it is satisfactory to find that the advance in recent years falls short by so little of the advance during the period of unexampled prosperity with which we are comparing them. For it must be remembered that in the years 1868-1869 to 1875-1876, an abnormal impetus had been given to our trade by various circumstances, by the enormous demands of the United States of America for steel and iron in connection with the extension of her railways, and other works of rehabilitation following on the Civil War; by the interruption of Continental competition due to the Franco-German War; and by the numerous foreign loans raised in this country, of which much was expended on products and manufactures of the United Kingdom. In the period 1894-1895 to 1901-1902 the country has enjoyed no such special advantages. On the contrary, it has been itself engaged in war, which, though it may have stimulated trade in some directions, has certainly depressed it in others. Yet even if we confine our attention to returns under Schedule D, "Trades and Professions," a com-

parison between the two periods, though naturally less favourable to the later period, is far from being unsatisfactory, especially when it is remembered that during the earlier period the Income-tax averaged $\frac{1}{4}$ d. in the pound, while in the latter it averaged $9\frac{1}{4}$ d. Thus the gross income (Schedule D) in 1868-1869 amounted to £173,054,000, and in 1875-1876 to £271,973,000, an increase of £98,919,000, or 57.1 per cent. In 1891-1895 the amount was £340,559,000, and in 1901-1902, £487,731,000, an increase of £147,172,000, or 43.2 per cent.

On the question of the amount of income derived from investments abroad, a table is given which presents a survey of such income for a period of twenty years, and shows that the amount has almost doubled, rising from £31,890,000 in 1882-1883, to £62,550,008 in 1901-1902. The Report continues:—

Comparing the gross amount of income arising from the ownership of lands, houses, &c., for the year 1901-1902 with that for 1892-1893, there was a net increase of £35,446,000, or 17.4 per cent. There was a decrease as regards lands of £4,526,000, or 7.9 per cent, and an increase as regards houses of £39,594,000, or 27.3 per cent. The principal decreases in lands took place in Norfolk, £351,000, 22.7 per cent; Kent (outside Metropolis), £300,000, 20.5 per cent; Suffolk, £235,000, 24.0 per cent, and Essex, £225,000, 20.3 per cent; whilst the principal increases as regards houses were, in the Metropolis, £6,905,000, 18.7 per cent; Lancashire, £3,536,000, 19.3 per cent; Yorkshire, £3,034,000, 25.9 per cent; Middlesex (outside Metropolis), £2,008,000, 62.7 per cent; and Essex, £1,977,000, 69.0 per cent. Farmers' profits show a decrease of £1,789,000, or 9.2 per cent over the same period. The profits from British, Indian, Colonial, and Foreign Government Securities show an increase of £5,943,000, or 15.4 per cent. Businesses, concerns, professions, &c., show an increase of £120,335,000, or 32.7 per cent during the ten years, the principal increases appearing in the City of London, £40,788,000, 58.9 per cent; Middlesex (outside the City), £12,018,000, 24.3 per cent; Lancashire, £11,503,000, 25.6 per cent; Lanark, £8,469,000, 59.0 per cent; Yorkshire, £7,450,000, 28.7 per cent; and Durham, £4,083,000, 62.7 per cent. On a more particular comparison, railways show for the same period an increase of £2,445,000; mines, £5,595,000; gasworks, £1,393,000; ironworks, £4,511,000; waterworks, £965,000. Interest from Indian, Colonial, and Foreign Securities (other than Government Securities) and Possessions, £422,000. Coupons, £2,072,000. The profits from railways out of the United Kingdom show a small decrease of £107,000, and the interest on loans secured on the public rates, so far as it can be identified, increased by about £2,706,000. Salaries of Government, Corporation, and Public Company officials increased in the ten years from £51,583,000 to £79,151,000, a rise of £27,568,000, or 53.4 per cent; but it should be taken into consideration that the conversion of private concerns into Public Companies has the effect of increasing the amount assessed in this Class at the expense of the Class, "Profits from Businesses, Concerns, &c."

APPENDIX VIII

It is impossible here to present more than a rough and incomplete analysis of the elaborate Blue Book issued by the Board of Trade on September 16, 1903, which represented the greater part of the work of that Department in connection with the Fiscal Inquiry. What is given, however, has been prepared by an impartial hand. The numerous tabular statements drawn out by Sir Alfred Bateman and his colleagues were, in the main, answers to questions addressed to them by the Government, some of which

had been formulated by Mr. Chamberlain. Broadly, the contents may be classified under seven heads:—

- I.—Imports and Exports.
- II.—Supply and Cost of Food-Stuffs.
- III.—Preferential Trade and the Colonies.
- IV.—Condition of the People.
- V.—Foreign Trusts.
- VI.—Iron and Steel Trade.
- VII.—Miscellaneous Information.

I.—IMPORTS AND EXPORTS

What the Board of Trade endeavour to show is the value of the imports and exports of manufactured and partly manufactured goods into and from the United Kingdom, France, Germany, and the United States for as long a series of years as possible. This is done by a number of charts and tables. The year 1854 is, as far as practicable, taken as a starting point, but the French figures can only be taken back to 1876, the German to 1880, and the United States to 1880. A difficulty also presents itself in the term “manufactured”. A Memorandum points out that it necessarily depends in the case of each country on the definitions used in the Official Trade Accounts, and these are not quite uniform. Outside the United Kingdom there is no distinction between “manufactured” and “partly manufactured” goods. In the case of all the countries food and drink are excluded from the category of “manufactured” articles; but jam, confectionery, biscuits, beer, and the like are manufactured commodities. Then, again, the values of imports into the United Kingdom, Germany, and France include freight, while in the United States they are exclusive. These and other qualifying considerations have to be borne in mind in studying the statistics. Two charts—Nos. I. and II., Series A—summarise the whole body of the information. No. I. shows the value of the imports of manufactured goods into the United Kingdom, France, Germany, and the United States. The chart is divided into sections, the lowest of which begins at nought millions and covers a fifty-million space, to which are super-added three other fifty-million spaces. Thus, the range of value is from nought to 200 millions. We will now follow the upward course of the value of the United Kingdom imports of manufactured goods. Starting in 1854, the line begins at 25 millions sterling; rises by 1870 to 55 millions; by 1880 to 70 millions or thereabouts; by 1890 to 100 millions; by 1900 to 145 millions, and by 1902 to 150 millions. Thus the value of manufactures imported by us has risen since 1854 from 25 millions to 150. France starts in 1876 at a 25-million level, and, with wavy oscillations, the line keeps fairly uniform, and finishes in 1900 at about 35 millions. The United States starts in 1880 at 52 millions, and, after sharp fluctuations, ends at about 54. The German line also begins in 1880, at about 48 millions, and goes uniformly, showing a rise in the 'Nineties, and ending at 51 millions. Therefore, while the rise in the value of these imports has been 125 millions in the United Kingdom, and since 1880 has been about 75 millions, there has

been, barring inconsiderable fluctuations, no such increase in the like imports into France, Germany, and the United States. Their imports of manufactured goods remain substantially what they were twenty years ago.

The second chart shows the exports of manufactured goods. For the United Kingdom the line starts in 1854 at 80 millions, leaps upward to about 235 millions (the highest point) in the early 'Seventies, drops to 175 millions at the close of that decade, describes an arc of a circle in the early 'Eighties, attains a point of about 230 millions in 1890, drops to 180 millions before 1895, rises slightly, and by a series of upward jerks attains in 1902 a level of something less than 230 millions. Imagine a mountain chain running up to a peak represented by 230 millions in the early 'Seventies, and then by a mound and slighter peaks ending almost at the level of the 'Seventies' eminence, and we have a mental picture of the value of our exports of manufactures, the absolute rise being from 80 millions to something under 230 millions in value. How does this compare with other countries? The United States line begins at ten millions, creeps along and upwards until in 1890 it reaches 35 millions, in 1895 50 millions, and by 1900 90 millions, when it begins to drop again. While, therefore, the value of British manufactured exports rose 150 millions from 1854, the value of like exports from the United States rose 80 millions. The French line starts at 70 millions in 1876 and ends at 90 millions—a rise of 20 millions in 24 years. The German line starts at 75 millions in 1880, keeps fairly uniform until the early 'Nineties, and then bounds upwards to 150 millions in 1900, thereafter taking the down grade—a rise from 1880 of 75 millions. To put the case in another way. We began in 1854 with a value of exported manufactures about 80 millions better than the United States, and end in 1900 by having a superiority of 140 millions. In 1876 we were about 120 millions ahead of France, and end about 135 millions the better of that Power. In 1880 we began at about 115 millions ahead of Germany, and we finish at about 80 millions to our advantage. It may be added that the British line ends at 1902 in an upward slant, while the German and American line drops. The French ends horizontally. Other charts deal with exports and imports in relation to population.

How can the world's markets be divided into "protected" and "unprotected" groups? The division can only be rough:—

On the whole, it has seemed best to select a list of the principal protected countries and Colonies, which, if not quite complete for all years of the period, is at least typical of the protected markets of the world, and to adhere to this list throughout, grouping all the rest of the world under the title "All other Countries or Colonies". The latter group includes all the neutral markets of the world, together with some of minor importance in which the tariffs have had a certain protective element, at least during a part of the period considered. The following is the selected list of "Principal Protected Foreign Countries":—Russia, Germany, France (Belgium), (Holland), Spain, Portugal, Italy, Austria-Hungary, United States. The only countries in this list which require explanation are Holland and Belgium. Holland is hardly to be described as a protectionist country, and the Belgian tariff is less protective than those of most Continental countries. It is, however, necessary to include both countries in the list, because a large part of the trade recorded in our official Returns as between the United Kingdom and Holland and Belgium is in reality trade with Germany which passes through Rotterdam and Antwerp, so that it would be misleading to place Holland or Belgium in a different list from Germany. The only British Colonies which it has seemed proper to consider as "protected" over the period

throughout which the statistics extend are Canada and Victoria. India is shown separately, and the remainder are grouped under the head of "All other Colonies and Possessions."

The period statistically reviewed is from 1850, but the figures have necessarily been complicated by the expansion of the British Empire and political changes, such as the unification of Germany and Italy. But it has been found possible to draw up a succession of tables and charts. What changes have taken place since 1850 in the distribution of our export trade as between the principal "protected" and "unprotected" markets, both as regards our total exports and our exports of manufactures? The answer is in the following percentage table:—

	Principal Protected Countries and Colonies.	All other Countries and Colonies.
A.—Exports of all Articles of British Produce.	Per Cent.	Per Cent.
1850	56	44
1860	51	49
1870	53	47
1880	49	51
1890	46	54
1900	45	55
1902	42	58
B.—Exports of Manufactured and Partly Manufactured Articles.		
1850	57	43
1860	50	50
1870	50	50
1880	47	53
1890	44	56
1900	42	58
1902	38	62

The Memorandum says:—

The summary shows that in the period 1850–1902, the proportionate distribution of our total exports as between the protected and unprotected markets of the world has been reversed, the proportions in 1850 being 56 to protected, and 44 to other markets, whereas in 1902 the proportions were 42 to protected, and 58 to other markets. Taking the category of manufactured articles separately, the change has been even more marked, the proportions in 1850 being: Protected, 57; other, 43; and in 1902: Protected, 38; and other, 62. The change has been a continuous one, but it operated most rapidly during the first decade (1850–1860), and during the last few years (1890–1902). No doubt some allowance should be made for the expansion of the British Empire, which took place during those two periods, *e.g.*, the consolidation of the Indian Empire in the 'Fifties, and the extension of British Dominions and Protectorates in Africa in recent years. But, after allowing for this, there can be no doubt as to the effect of Continental and American tariffs in checking our export trade, especially in manufactured articles, with the group of "protected countries" during the last two decades.

The results of another table, too elaborate for analysis, are thus defined:—

The proportion of manufactured to total exports has gradually fallen from 94 per cent in 1850 to 80 per cent in 1900, whence it has risen to 82 per cent in 1902. The

main cause of the decreasing percentage has been the growth of our exports of coal, and the increased percentage since 1900 is no doubt mainly attributable to the fall in the value of our coal exports since the high prices of 1900. This increased percentage of manufactures as between 1900 and 1902 is, therefore, more apparent than real. Taking the principal groups of markets separately, we see that, while the percentage of manufactures to total exports to protected countries and Colonies fell continuously from 96 per cent in 1850 to 74 per cent in 1900, the corresponding percentage to "All other Countries and Colonies" only declined from 91 per cent to 85 per cent. This shows that, as may also be inferred from the figures in the previous summary, the manufactured element in our exports to protected markets is declining considerably faster than in the case of other markets. In the case of India, manufactures formed 95 per cent of our exports in 1900, the same percentage as in 1860, the first year for which comparable figures can be given.

With regard to the excess of Imports into the United Kingdom, there is an exhaustive Memorandum. It explains that there is no necessary equality between the values of imports and exports of commodities:—

As a matter of fact, for many years imports into the United Kingdom have always exceeded exports. An inquiry into the causes of this excess of imports is, therefore, an inquiry into the nature and value of the unrecorded transactions and services rendered and received which, one year with another, will balance the account. It may be said at once that any answer of a statistical nature to the inquiry can only be of the roughest kind. The excess of value of our imports over our exports, as recorded in the official Trade Accounts in each year, 1893-1902, was as follows:—

Year.	Merchandise	Dullion and Specie.	Total.
	£ (million)	£ 'million,	£ (million)
1893	128	4	132
1894	135	11	146
1895	131	15	146
1896	145	-6	139
1897	157	-1	156
1898	177	6	183
1899	155	10	165
1900	169	8	177
1901	174	6	180
1902	179	5	184
Decennial Average	155	6	161

We have, therefore, to account for an annual excess averaging 161 millions over the last ten years, and varying in individual years during that period from a minimum of £132,000,000 to a maximum of £184,000,000.

By a series of calculations, the Memorandum argues that a sum of not less than 90 millions sterling should be added yearly to our exports on account of the ocean carrying trade—freights and other earnings on the whole volume of goods carried by us to and from other countries. Then there is the effect of our foreign investments on the balance of imports and exports. By a process of marshalling facts and by reasoning which must be excluded from this analysis, the Memorandum concludes that 62½ millions is the minimum average amount to be allowed annually on account of income from foreign investments—a figure probably largely exceeded, but by how much it is impossible to say. Sir Robert Giffen's estimate in 1898 was 90 millions. But whatever the actual total may be "it is evident that,

when added to the 90 millions to be allowed for the carrying trade, it is sufficient, and probably more than sufficient, to account for the average excess of imports—viz., 160 millions." There is, therefore, no real excess: annual excesses are transitory:—

For example, in 1898 the great rise in wheat prices may have partly accounted for the abnormal excess in the value of imports in that year. It is also to be noted that in the last few years the normal relation of imports and exports has been a good deal disturbed by the Government purchase of stores abroad and other transactions connected with the South African War. Just at present the excess of imports seems to be relatively low. During the first seven months of 1903, the total has been only £101,000,000, as compared with £113,000,000 and £111,000,000 respectively, in the corresponding period of 1902 and 1901.

II.—THE QUESTION OF FOOD-STUFFS

Tables are given showing the principal sources of supply. We can deal here with two only—Tables III. and IV., showing the sources of supply of wheat and flour. In 1885–1887 the home production of wheat and flour was 33.8 per cent, the balance of 66.2 being imported. In 1890–1892 the percentage of home production fell to 29.8, in 1895–1897 to 21.7, and in 1900–1902 it rose to 22.5 per cent. The sources by groups of countries are—

Groups of Countries.	Quantities Imported.		Percentage Proportion.	
	Mean of 1871–1875.	Mean of 1898–1902.	1871–1875.	1898–1902.
	Cwts.	Cwts.	Per Cent.	Per Cent.
British Colonies and Possessions	5,519,070	19,033,634	10.9	19.0
Europe (including Turkey) ...	20,929,323	8,760,208	41.4	8.8
United States	20,122,599	62,306,884	39.9	62.2
South America	1,443,046	9,711,871	2.9	9.7
Other Countries	2,481,089	290,062	4.9	0.3

Whereas in 1870–1872 we imported 1.4 cwts. of wheat and flour per head of the population, in 1900–1902 we imported 2.5 cwts.; of meat and animals for food in 1870–1872, 14.6 lbs., and in 1900–1902, 56.6; of sugar, 50.4 lbs. (1870–1872), and in 1900–1902, 88.5 lbs. Other tables give the value of the imports of various descriptions of food-stuffs from the principal foreign countries. One shows that in 1902 we imported wheat and flour from India, the Colonies, and other British Possessions to the value of £8,552,000, Canada contributing over four millions and Australia nearly one and a half. The total of such imports from foreign countries was £27,432,000. The grand total of all British Possessions and foreign countries was £36,006,000. That is the value of the wheat and flour consumed by the United Kingdom in 1902. As to living animals for food, we imported from British Possessions to the value of £1,757,000 and foreign countries £6,507,000—a grand total of £8,264,000. Of meat we imported from British Possessions to the value of £7,002,000, and from foreign countries £32,640,000—a grand total of £39,880,000. Of dairy produce we imported from our own Possessions to the value of £7,412,000, and from foreign countries £33,669,000—a total of £41,081,000. With regard to wheat

prices there are a memorandum, tables, and five charts showing the prices of wheat and variations in import duties on wheat in the United Kingdom, France, Germany, and the United States from 1840 to 1902. The figures for the United Kingdom, France, and Germany are official averages of the prices of all qualities of wheat sold at selected markets. The United States figure is the average price in New York of "Winter wheat." A table shows that in the United Kingdom wheat has fallen from 66s. 4d. in 1840 to 28s. 1d. in 1902; in France from 50s. 10d. to 38s.; in Germany from 40s. 11d. to 35s. 9d.; in the United States from 37s. 3d. to 27s. 10d. The tendency of wheat prices in the four countries is clearly shown in the charts, which are thus described in the Memorandum:—

Among the main features to be noted on the curves are:—

1. The general rise in price about 1847 due, among other causes, to bad quality of the harvest and the failure of the Irish potato crop.
2. The general rise about the time of the Crimean War between 1853 and 1855.
3. The rise in price in 1861–1862, due to deficient crops. The great rise in the New York prices in the years following the conclusion of the Civil War.
4. The general tendency of wheat prices to decline in all the countries since about 1873. Since then prices in the different countries have oscillated, owing to causes such as good or bad harvests in the world generally or in particular countries. But through all this period, and in spite of these variations, the general tendency of wheat prices has been downwards, partly owing to the cheapening of communications, and partly to the general causes which have led to the fall in the prices of commodities that has been a marked feature of the last quarter of a century.
5. The effect of the bad harvest of 1876, and also of the failure of the Russian rye crop in 1891, which caused a sudden increase in the demand for wheat.
6. The shortage of the world's wheat crop in the year 1897–1898, the effect of which on prices in the Spring of 1898 was accentuated by the attempted "Leiter Corner."
7. The effect of the series of abundant harvests of 1891 to 1895 in causing a drop of prices during that period.
8. The effect of the increase of the Continental tariffs on bread-stuffs in the 'eighties and 'nineties, shown in the gradual divergence between the curves for the United Kingdom and the United States on the one hand, and those for France and Germany on the other.

III.—PREFERENTIAL TRADE

With regard to the question of Preferential Trade, the Blue Book contains a mass of information showing the practice of foreign countries and their Colonies. This is dealt with under two headings—the treatment of Colonial produce by the parent State, and the treatment of the produce of the parent State by the Colonies. The general results are thus defined:—

A.—Germany and Holland accord no Preference to Colonial produce.

France admits the products of her principal Colonies free, or at reduced rates, but imposes the "minimum" tariff (which is that applicable to goods from the United Kingdom) on the produce of Tunis and the minor Colonial Possessions, certain articles being, however, exceptionally admitted free, often in limited quantities.

Portugal admits most articles from Colonies imported in national vessels at a 50 per cent Preference.

Spain imposes the ordinary tariff, except on certain specified articles which are admitted free.

Denmark admits produce of Iceland, Faroe Islands, and Greenland free, but apparently imposes the ordinary tariff on West Indian produce.

The United States of America admit the produce of Porto Rico and Hawaii free, but impose duties equal to 75 per cent of their ordinary tariff rates on imports from the Philippines.

Japan imports Formosa produce free.

B.—German, Dutch, and Danish Colonies accord no Preference to the produce of the Mother Countries.

French Colonies submit French produce to various duties (*Octrois de Mer*) on importation, but have in general an additional Customs Tariff imposed on foreign goods only. In the principal Colonies this tariff is practically identical with the metropolitan French tariff. In Tunis there is an independent tariff from which the principal French exports are exempt.

Portuguese Colonies for the most part accord percentage reductions to Portuguese goods.

The Spanish Possessions (the Canaries and Fernando Po) have very few duties. Spanish goods obtain no Preference in the former, but are treated preferentially in the latter.

United States goods are imported free into Porto Rico and Hawaii, but are treated in the same way as foreign goods in the Philippines. Japanese produce enters Formosa free.

A policy of Preferences to Colonies was in vogue in England until 1854, and a section of the Blue Book is devoted to "Notes on the Former Preferential Duties in the United Kingdom on Imports of certain Articles from British Colonies and Possessions." Preferential rates of Duty in favour of the Colonies were allowed on imported sugar continuously from 1660. By Mr. Pitt's re-classification of the Duties in 1787, white sugar from British plantations paid a Duty of only £1, 9s. per cwt., in comparison with £2, 5s. 6d. paid by foreign sugar, and Muscovados from British plantations only 12s. 4d., as against £1, 7s. 2d. :—

Preferential rates continued to be accorded to the British Possessions until 1845, when the system of Protection for Colonial interests was partially abandoned, and in the following year foreign sugar, of whatever origin, was admitted at rates which, for the bulk of the importations, only exceeded the rates leviable on sugar from British Possessions by 7s. per cwt. Even this inequality was only intended to continue for one year, provision being made for the difference to be gradually reduced, and to be finally extinguished in 1851. As a matter of fact, however, the Preference was only finally extinguished in 1854.

Colonial corn also enjoyed a Preferential duty from the latter part of the Eighteenth Century until 1854, and so did Colonial wood and coffee.

IV.—CONDITION OF THE PEOPLE

Under this general heading come a variety of Papers dealing with the consumption of food and cost of living of the working classes in the United Kingdom and certain foreign countries. With regard to the agricultural class in England, use is made of Mr. Wilson Fox's investigations. The average income is taken to be under twenty shillings per week, and a table is given which shows that the general average cost of food for an agricultural labourer with wife and four children is 13s. 6½d. per week. Of this sum, bread and meat account for 56.0 per cent. More bread and less meat is eaten in the low wage than in the high wage counties. In the former, beef or mutton is purchased only once a week. Taking the average weekly wage at 18s. 6d., 73 per cent of the money is spent on food. Estimating rent at 1s. 6d. a week, 4s. remains for clothing, firing, light, &c. For light upon the food consumption in urban workmen's families recourse is had to the

investigations of the Labour Department. The principal item of food as regards quantity is bread, but meat makes heavier demands upon expenditure. Returns indicate that a workman's family, where the wage is under 25s. a week, will spend 8s. 2¾d. on bread, flour, and meat; under 30s., 9s. 2¾d.; under 35s., 10s. 7¾d.; under 40s., 10s. 6¼d. The average of all incomes from 25s. to 40s. works out at 9s. 10¼d. expended on these articles. Further tables are printed showing the quantities and cost of other articles of consumption, and others show that the cost of food has largely decreased, particularly since 1877, it being now 30 per cent cheaper than then. Figures are given from which it is concluded that the English workman has been able to make 100 shillings go as far in purchasing food in recent years as 140 shillings would have gone twenty years ago.

With regard to rent paid by working-class families in London tenements, it appears that the average rental per tenement is 5s. 9d. per week. But rents in London, it is pointed out, have certainly increased since the data on which this estimate is based were collected. Outside London the weekly rental average is perhaps from 4s. to 5s. These and many other figures of their class are, of course, but rough indications of social conditions. A more difficult phase of the subject is opened by a comparison between the lot of the working people of the United Kingdom and foreign countries. Here information is gathered from Reports made by the United States Labour Department in 1890-1891. In the United Kingdom, for example, the yearly consumption of wheat and flour per head of population was 350 lbs.; in Russia, 145; United States, 274; Austria-Hungary, 234; France, 473; Italy, 283; and Germany, 200. But while the United Kingdom only consumed 6 lbs. of rye per head, Russia consumed 320, and Germany 325. Details as to expenditure on food show that, in Great Britain and the United States, the cost of meat consumed was more than double that in France, Germany, Belgium, and Switzerland. Comparisons are instituted between the retail price of wheat and flour in various Capitals, and all the figures indicate that the price in England is less—often considerably so—than it is in Paris, Berlin, Rome, and other cities. A conclusion stated is that, so far as regards food, the cost of living in Germany has fallen very much less in the past twenty-five years than it has in the United Kingdom. Between 1880 and 1897 the cost of a workman's food fell in the United Kingdom 42 points, in Germany 13 points, and in France 14. In the matter of clothing and rent it is very difficult, says the Memorandum, to make any comparison; but a number of particulars are given, ending with the following statement:—

In drawing any inferences from the figures given in this Memorandum, it should always be remembered that customs and conditions of the people in different countries vary considerably, and a bare comparison of the actual cost of living and the amount of food eaten does not necessarily result in a picture entirely reflecting the comparative comfort of the various peoples. For instance, if it is the case that the wives of workmen in some countries are better managers than the wives of English workmen, it may be that by possessing greater resourcefulness, and practising greater economy in the purchase of different varieties of food, and by cultivating a better knowledge of cooking, working-class families in such countries are as comfortably fed as English working-class families, and on a smaller expenditure. Again, the class of food and clothes which is considered almost essential in one country, owing to climatic and other conditions, is not considered so in another. For instance, the English workman is

relatively speaking a large meat eater, and as a rule the more wages he gets the greater quantity of meat he eats. But the fact that he consumes more meat than a French or German workman, whose custom it is to eat more eggs, vegetables, fruit, and farinaceous food, does not of itself prove that he is living in greater comfort or luxury. Again, a workman in England consumes a considerable quantity of wheaten bread purchased at the baker's. It would be thought a hardship in England to consume brown bread of other grain which is eaten freely by the working classes in some other countries. Indeed, the practice of eating oat cake and porridge and milk which exists in Scotland, though to a less extent than formerly, would be regarded by many of the working classes in England as an inferior diet to the prevailing diet of baker's bread and tea. These differences of wants and tastes are such that the comparative welfare of the working classes in various countries in the broadest sense of the term cannot be determined by any statistical method.

With regard to the collateral question of wages, there are many pages of statistics showing increases in various important trades. The charts illustrating the changes in the general money level of wages are also very instructive. Taking the highest point at 100, the line starts at just under 70 in 1860, rises to over 95 in the early 'Seventies, and fluctuates between 80 and 100 in the succeeding twenty years, reaching 100 in 1900, and then dropping slightly. An effort is made to show the course of the wages level in other countries. A summary table (exclusive of agriculture) is printed which demonstrates that since 1881 there has been a rise in wages in the United Kingdom, United States, Germany, France, and Italy, the rise being greatest in Germany, and least in the United States. Next to Germany, the United Kingdom shows the greatest rise. With the exception possibly of the United States, the United Kingdom pays the working man a higher wage than is obtained by his compeer in Continental countries.

V.—THE POLICY OF TRUSTS

This branch of the investigation is dealt with by Mr. Schloss in a Memorandum of over fifty pages. It is confined to a single aspect of the operation of Trusts, Kartells, &c.—namely, export below home price, and does not profess to deal with their policy and methods as a whole. Here, then, are the chief facts now available as to the export policy of existing foreign Trusts. A few illustrative passages may be quoted:—

It should be understood that this policy of selling to foreigners below the home prices is only a part of the general system pursued by the German combinations, of selling the same thing at different prices, according to circumstances, in every case charging all that the trade will bear. Thus, as between a consumer near the source of supply and a consumer whose works are some distance away, although the price is in each case ex mine or works of the producer, the distant customer will be charged a lower price, lower approximately by the cost of freight from the place of production to the factory of the purchaser, on the ground simply that his proximity to the centre of production will enable the near customer to afford to pay more money. So in a (German) district in which there is no active competition a high price is charged, but a lower price in a district where other sources of supply either actually compete or might easily come in to compete with the productions of the Kartell. It will be understood that, so far as this system of charging different prices to customers in different (German) districts entails upon the individual producer of the goods concerned the necessity of seeing his goods sold at a lower price than that obtained in respect of the output of other producers, then under the fully developed Kartell organisation, the difference is made up to this man by the Kartell, prices being thus practically pooled, in the same manner in which the bounties in the export trade are allotted.

But the extent to which the policy of dumping is carried is not easy to define:—

The evidence, such as it is, is twofold in character. There are a few figures available as to the average prices obtained for the same goods in Germany and in foreign countries; and there are a fairly large number of figures representing, or purporting to represent, individual transactions in the foreign market, as compared with prices ruling at the time in the German market. But, while the figures given as to the general average of prices at home and abroad necessarily rest upon the information furnished by the German combinations—information very difficult of verification, and given by persons naturally unwilling to help the German consumers in their complaints against the Kartells—with respect to the latter class of "statistics" (referring to particular transactions) a large degree of caution is obviously required. In any given case the low quotation abroad may well be the result of causes quite distinct from the Kartell policy of dumping. Thus the low price abroad may be accounted for by a contract covering a lengthy period and entered into some time ago at a price no lower than the German price of that day. In one case, in which coke was stated to have been sold in Austria far below the German price at the time of delivery, it was alleged by the coke Kartell that the particular German Coke Company concerned was bound by contracts entered into at very low prices and covering a lengthy period, and that the low figure was further accounted for by the fact that a controlling interest in this German Company was possessed by the Austrian coke users to whom this coke was supplied. In any event, the figures given as to particular transactions may, and often undoubtedly do, relate to quantities relatively insignificant, when compared either with the total output of the Kartell or with its aggregate exports in the year in question.

And the authenticity of the figures is also questioned. Mr. Schloss gives details of the operations of the Kartells in coke, iron, wire, and various other trades in Germany, and draws freely upon the Reports of our Consuls. In the like manner he reviews the export policy of United States Trusts, prefacing his Paper with the following remarks:—

Although many of the leading industries of the United States have for many years past been controlled by powerful combinations, the great development of the Trust system in that country has, to a certain extent, coincided with the recent remarkable spurt of prosperity in America. The available evidence goes to show that for some time past the United States has for the most part been able to absorb, and has, in fact, kept at home, a great proportion of its total output, and that during this period of exceptionally good trade in the American home market, the inducement on the part of the Trust organisations of the United States to "dump" surplus goods at low prices in foreign markets may fairly be considered to have been slight, as compared with what might be manifested in a time of industrial depression in the States. Vol. XIII. of the "Report of the (U.S.A.) Industrial Commission" contains an account of the results obtained in a special investigation into the truth or falsehood "of the frequent assertion that the exporters of American-made goods often sell them in foreign countries at lower prices than are obtained for similar goods at home." In all, 416 answers, many from important firms, including corporations controlling a considerable proportion of the total output of certain classes of goods in the United States, are set forth in tabular form. The Report states that "the great majority of the answers indicated that prices are no lower abroad than they are for domestic consumers, and a considerable number indicate that foreign prices are higher." It would not be possible in this place to set forth the whole of the details; but a number of examples of the results of this special investigation, taken mainly from the tabular statement contained in this Report (in which each establishment is indicated by a number only) will be useful. It is, however, to be observed that a large part of the information obtained in the course of this investigation has little or no bearing upon the question of the export policy of Trusts. For most of the firms referred to control (so far as can be seen) but a small fraction of the industry in which they are engaged, and are necessarily free from that monopolistic character which is the distinctive feature of a Trust.

The conclusions suggested by the mass of American data which are here collected are thus stated:—

With regard to the effect produced upon British trade by the export policy of the American manufacturers of iron and steel, much the same observations will apply as have already been made in relation to the German imports of the materials in question. The American imports were by no means of equal advantage to all classes of British trade. Blast-furnace owners, the producers of manufactured iron, and the makers of raw steel could not be expected to welcome the American invasion, which certainly restricted the demand for our pig-iron, and exercised a not unimportant influence upon the price of manufactured iron, and of steel both raw and manufactured. But the large class of industries which made use of the American materials for working up—our tin-plate makers, for example, our bedstead manufacturers, and our shipbuilders—probably took a less unfavourable view.

It is by no means easy to arrive at any really definite conclusion:—

To arrive at any really definite conclusion in relation to the export policy of the American Trusts upon evidence such as is alone available in the present instance is by no means easy. On the whole, the general impression which an attentive perusal of the details leaves upon the mind of the investigator is that, while the manufacturers of the United States, even with trade as good as it has recently been in their own country, send away to foreign destinations a not inconsiderable proportion of the commodities which they produce, these goods have in numerous instances been sold abroad at lower prices than in the United States. That their foreign prices have been, to a more or less material extent, lower than their domestic prices, the Trusts in some cases allow to be the fact, but not infrequently appear reluctant to admit; nor, under existing circumstances, can they reasonably be expected to volunteer very exact information on this point. But a comparison of the recent trend of prices in the United States and in other countries, especially in the United Kingdom, suggests a doubt whether part at least of this export trade of the Trusts could have been carried except by granting to foreign purchasers prices lower than those ruling in the United States. It is to be remembered, however, that the last few years have been years of active trade in the United States, when the inducement to reduce export prices in order to maintain output is less than would be the case in times of depression.

The Austrian Syndicates are also reviewed, and there are several appended documents.

VI.—IRON AND STEEL TRADE

The Labour Department was asked as to the present state of the industry in the North-east of England, with special reference to the employment of the working classes and their rate of wages, and to changes in price and output. The information compiled is not extensive. As to employment, it shows that in the sixteen establishments in Northumberland and Durham there were in 1899, 9621 persons employed; 1900, 9851; 1901, 8717; 1902, 8741; and 1903, 8147. In the five Cleveland establishments, mostly steel-works, in 1899 there were 5123; 1900, 5677; 1901, 5740; 1902, 5583; 1903, 5445. With regard to works opened or closed, the North-Eastern Steel Company (Limited) erected a new mill at Middlesborough in 1901; but in 1900 the Spennymoor works of Sir Theodore Fry and Company were closed; and in 1902 the Moor works of the South Durham Steel and Iron Company and the Tudhoe Rolling Mills of the Weardale Steel, Coal, and Coke Company. Particulars are furnished showing that from July, 1897, to April, 1901, the wages of puddlers increased by 3*d.* (in one month by 9*d.*) per ton, but that in April of that year there was a fall in the wage rate of 9*d.* per

ton, decreasing to 6*d.* and then to 3*d.* The variations in the wages of steel-workers in the Cleveland district are similarly shown, and there is a table giving the average selling price per ton of manufactured iron in the North of England from June, 1899, to April, 1903. The price started at £6, os. 6*d.* and rose to £8, 5*s.* 11*d.* by December, 1900. Then there was a fall to £7, 10*s.*, and in the Summer of 1901 to less than £7, the decline continuing to £6 odd in the early part of 1902, and keeping at about that figure, the price in April, 1903, being £6, 3*s.* 4.71*d.* A further statement shows the total quantities and values of certain classes of manufactured iron and steel imported into the United Kingdom from Germany and other countries in the years 1899-1902. In 1899, 99,942 tons were imported from Germany, Holland, and Belgium, and 171,622 from the United States; in 1900, from Germany, &c., 110,970 tons, and from the United States, 172,105; in 1901, from Germany, &c., 289,605 tons, and from the United States, 55,080 tons; in 1902, from Germany, &c., 529,970 tons, and from the United States, 3838 tons. The total imports from these countries were, in 1899, 171,622 tons; in 1900, 283,075; in 1901, 344,685; and in 1902, 533,808. The value of the iron and steel imports from Germany, Holland, and Belgium was, in 1899, £667,528; in 1900, £833,074; in 1901, £1,816,862; and in 1902, £2,880,723. From the United States the value was, in 1899, £371,267; in 1900, £1,135,061; in 1901, £325,000; and in 1902, £37,190. The totals are, 1899, £1,038,795; 1900, £1,968,135; 1901, £2,141,862; 1902, £2,918,190. The Department makes no comment on these figures. In other parts of the Blue Book there is much additional information bearing upon the condition of this industry, and the statistics and charts call for attentive study.

VII.—MISCELLANEOUS INFORMATION

One section—that on imports from foreign countries into the Self-Governing Colonies—has a direct bearing upon any proposal for a Preferential trading system with the Colonies. An attempt is made to analyse the imports into the Self-Governing Colonies from foreign countries with special reference to (a) classes of articles not produced in the United Kingdom, and (b) classes of articles, especially food-stuffs and raw materials, produced in the United Kingdom, but in the export of which to a particular Colony we could not expect seriously to compete with foreign countries or British Possessions. The general results of the analysis for all the Self-Governing Colonies are thus stated:—

The value of the imports of merchandise from all sources into the Self-Governing Colonies in 1900 was 113 million pounds, of which 55 millions were imported from the United Kingdom, 47 millions from foreign countries, and 11 millions from other British Possessions.

Of the total imports from foreign countries, nearly two-thirds (29 millions) are accounted for by Canada, and nearly a quarter (11¼ millions) by Australia, leaving about 6¾ millions for the Cape, Natal, and New Zealand.

About 9¾ millions' worth of the imports from foreign countries are of a class not produced in the United Kingdom, and about 8¾ millions' worth consist of articles which, though produced in the United Kingdom, we cannot expect to export to the Colonies in competition with similar foreign and Colonial goods (*e.g.* wheat, meat, timber, butter, &c.).

After deducting the above, there remain imports from foreign countries to the value of about $28\frac{1}{2}$ millions. Of this amount, about 16 millions are accounted for by Canada, 8 millions by Australia, and 2 millions by the Cape.

To this total must be added something on account of foreign goods imported indirectly through the United Kingdom. The Colonial trade volumes from which the above figures are mainly taken do not distinguish articles of British production from re-exports of foreign and Colonial goods from the United Kingdom. The following figures, however, taken from the "Annual Statement of the Trade of the United Kingdom," throw some light on the matter.

The re-exports of foreign and Colonial merchandise to the Self-Governing Colonies from the United Kingdom in 1900 amounted to about $5\frac{1}{4}$ millions, of which nearly 2 millions went to Australia, $1\frac{1}{2}$ millions to Canada, and $1\frac{1}{4}$ millions to South Africa. These are outside figures for re-exports of foreign goods, as a certain proportion of these re-exports were of Colonial origin, though the official statistics do not enable these to be distinguished.

Of the above, it is estimated that about $1\frac{1}{2}$ millions were accounted for by goods of the classes above referred to under (a) and (b). Of the $3\frac{3}{4}$ millions remaining, nearly $1\frac{3}{4}$ millions are accounted for by Australia, and nearly 1 million by Canada.

If the above $3\frac{3}{4}$ millions be added to the $28\frac{1}{2}$ millions' worth of goods imported direct from foreign countries (after making the deductions already noted) we arrive at a final total of about $32\frac{1}{4}$ millions sterling as representing the net value of foreign imports into the Self-Governing Colonies other than those belonging to the classes which have been deducted.

There is a tabular analysis of imports in the case of each Self-Governing Colony, so that the whole of the data on which the above general results are founded is made available to the student.

Other miscellaneous topics include twelve separate collections of documents dealing with population and emigration, foreign trade, shipping, railway traffic, profits and capital, money market, pauperism, and allied subjects. One Return shows the gross amount of the annual value of property and profits assessed under Schedules A and D in particular classes of property during given years. First, as to land and houses only. The annual average for 1865-1869 was—land, 63.1 million £; houses, 73.8 million £; for 1870-1874 land was 65.4 million £, and houses 87.6 million £. For 1880-1884 land was 67.8 million £, and houses 121.0 million £. In 1890-1894 land was 57.3 million £, and houses 133.0 million £. In 1902 land was 52.3 million £, and houses 184.6 million £. Or take iron-works. The assessment in 1865-1869 was on 2.0 million £; in 1870-1874, on 4.0 million £; in 1880-1884, on 2.6 million £; in 1885-1889, on 1.6 million £; in 1895-1899, on 2.2 million £; in 1901, on 5.4 million £; and in 1902, on 6.6 million £. These are but examples of the results obtained. Another table on this section shows the decline in average dividends of railways—from 4.29 per cent in 1855-1859 to 3.42 in 1902. Yet another tells of the increase in Post Office and Trustees Savings Bank capital. The annual average of the computed capital in 1855-1859 was £1,385,599. In 1875-1879 it was £3,331,366; in 1885-1889, £5,573,424; in 1895-1899, £8,787,471; while in 1902 it was £10,803,555.

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